Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 06/10/2020 | Report No: ESRSA00904
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>Ecuador</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P173283</td>
<td></td>
</tr>
</tbody>
</table>

Project Name: Territorial Economic Empowerment for the Indigenous, Afro-Ecuadorians and Montubian Peoples and Nationalities (TEEIPAM)

Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date
Social              | Investment Project Financing | 5/13/2020               | 6/30/2020               |

Borrower(s): Republic of Ecuador
Implementing Agency(ies): Secretariat of Human Rights (Secretaria de Derechos Humanos)

Proposed Development Objective(s)
The Project Development Objective (PDO) is to improve livelihoods for targeted Indigenous Peoples and Nationalities, Afro-Ecuadorians, and Montubians, in accordance with their vision and priorities for development.

Financing (in USD Million)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</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]
1. Ecuador is an upper-middle income country that boasts a diverse geography and abundant natural capital endowment. Continental Ecuador includes three diverse landscapes, namely the coastal region in the West, the central highlands, where the country’s capital city, Quito, is located, and the Amazon rainforest in the east. The
The majority of the country’s 16 million inhabitants lives in the highlands and the Coast. Ecuador is the world’s 11th most biodiverse nation, with agricultural land comprising 30 percent of the largely cultivated topography.

2. Ecuador’s Constitution recognizes the plurinational and multicultural nature of its heterogeneous population and promotes a more inclusive approach to development by maintaining the importance of the broader environment, cultural diversity and social inclusion. One of the central pillars of Ecuador’s 2008 Constitution is the principle of “Buen Vivir” or Sumak Kawsay (well-being), which recognizes the importance of strengthening social cohesion and community values, encouraging meaningful participation by citizens in decision-making processes, and recognizing the rights of nature. Ecuador has the sixth largest Indigenous population and fifth largest Afro-descendent population in the Latin America and the Caribbean Region. According to the latest national census (2010), approximately 21 percent of the Ecuadorian population self-identifies as Indigenous (7 percent), Afro-descendant (7.1 percent) or Montubian (7.4 percent), with the remainder identifying as Mestizo (72 percent), White (6.1 percent) or Other (0.4 percent). Indigenous Peoples (IPs), Montubians, and Afro-Ecuadorians tend to be concentrated in certain geographic areas: IPs live predominantly in rural areas in the highlands and Amazon (80 percent), Montubians live along the coast, and three-quarters of Afro-Ecuadorians (AEs) live in urban areas.

3. Recent social gains over the past 15 years have not been shared equitably. The historical and systematic exclusion of IPs, AEs and Montubians (collectively referred to as IPAMs) persist, with notable gaps in measures of well-being between IPAMs and those of the White and Mestizo populations. In both rural and urban areas, indicators of well-being and ethnicity are closely related: IPAMs display inadequate access to basic services, poorer health and education outcomes, and lower living standards than Whites/Mestizos. Whereas the national poverty rate is 25 percent, poverty levels for IPs, AEs, and Montubians are 78.6 percent, 61.8 percent and 82 percent respectively. Factors contributing to weak income generation and economic opportunities for IPAMs can be attributed to a range of factors, varying slightly in urban and rural areas. Common to all three populations are: (i) high levels of informality and weak levels of association among producers; (ii) low education attainment and access to professional or technical development opportunities to diversify economic activities, improve quality and quantity of production, and improve business management; (iii) weak direct access to markets and buyers, resulting in significant income loss to intermediaries; (iv) lack of access to critical production factors, including information and communication technologies (ICT), exacerbated by external threats to land, water and natural resources; (v) limited access to formal financial services; and (vi) high levels of discrimination leading to market exclusion, labor segmentation, and income/wages received.

5. The proposed Project aims to increase income generation opportunities for targeted IPAMs within pre-selected territories. It is envisioned that World Bank financing for the Project would total $50m, with investments based on IPAM priorities for development, as expressed in territorial planning and governance strengthening activities. These would likely include activities aimed at: (i) strengthening management capacity of, and increased production by, organizations that use traditional agricultural practices, (ii) increasing value of commercialized products and improving access to markets, including strengthening the urban and rural nexus, (iii) strengthening institutional capacity of targeted communities at the territorial level, (iv) facilitating opportunities to attend and remain in higher/professional/technical education programs by targeted populations, and (v) strengthening higher intercultural education initiatives and universities that support the worldview and ancestral knowledge of IPAMs. The specific investments and services to be offered for each territory would be based on the IPAM’s priorities, as reflected in life plans or other participatory planning instruments.
6. The Project will support a territorial approach for development, including a comprehensive set of investments that will be identified through participatory planning processes for IPAM representatives and other relevant stakeholders. Intervention territories will be prioritized mainly by IPAM population density or presence and multidimensional poverty levels; as well as by areas highly impacted by COVID-19 and areas that demonstrate a high readiness level for subprojects (SPs).

7. SC1.1 will finance territorial planning processes to take stock of existing planning instruments, support dialogue and articulation of development priorities among key stakeholders, and identify potential SPs for project financing. SC1.2 will finance the establishment of national platforms for development planning, consultation and dialogue, programs to improve the capacity of government institutions, among others. SC2.1 will finance the assessment of the prioritized SPs for technical, financial, and E&S feasibility and preparation of the selected interventions and their E&S site-specific instruments. Disbursements under C2 and/or C3 will only be approved subsequent to the finalization and disclosure of all Project E&S framework instruments (budgeted under C5).

8. SC2.2 will finance the implementation of selected SPs in the areas of territorial governance, food sovereignty, community economies, market-oriented productive or entrepreneurial activities. SC2.3 will finance mainly technical assistance activities to improve an equitable access to financial services. C3 will finance University and higher Institution SPs that promote access and permanence in higher education, professionalization opportunities, and the cultural pertinence of higher education in areas critical for IPAMs, including investments in small scale infrastructure and equipment (SC3.1). It will also finance affirmative actions and SPs with the private sector to promote diversity and dignity in employment opportunities (SC3.2).

9. C4 is an emergency (not CERC) component to respond to the COVID-19 pandemic, through which food, water, sanitary supplies, and EPPs for IPAMs will be procured and delivered, as well as supplies and small-scale infrastructure for traditional healers. C5 will finance project management, as well as the preparation and consultation of the project’s E&S framework instruments.

D. Environmental and Social Overview
D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]
Project interventions will be located nationwide, in urban and rural areas of the Andean, Amazon and Coastal regions of Ecuador, benefiting Indigenous Peoples, Afro-Ecuadorian and Montubian populations (IPAMs). Intervention territories will be prioritized based mainly on IPAM population densities or presence and multidimensional poverty levels. Other criteria to prioritize territories will include areas highly impacted by COVID-19 and its related contention measures and areas that demonstrate a high readiness level for subprojects (SPs) and organization or agency of IPAM actors to serve as partners in the processes to be supported by the project.

Project Component 1 (C1) will finance: (i) territorial planning processes to take stock of existing planning instruments, establishment and operationalization of territorial-level planning platforms for IPAMs, and identification of potential
SPs for project financing (SC1.1); and (ii) establishment of national platforms for development planning, consultation and dialogue, and capacity building activities for state entities and IPAM representative organizations (C1.2). In parallel to these activities, project’s E&S framework instruments will be finalized by the PIU with resources from Component 5 (C5). These framework instruments will be consulted through the national and territorial level dialogue platforms. Disbursements under C2 and/or C3 will only be approved subsequent to the finalization and disclosure of all project E&S framework instruments.

Project SC2.1 will finance technical assistance to assess the identified potential SPs for technical, financial, and E&S feasibility, and prepare the selected interventions. SPs will be selected based on: (i) eligibility criteria, to be outlined in the Project’s Operations Manual (POM), and (ii) a robust E&S Exclusion List to be included in the project’s E&S framework instruments (refer to ESS1). Under SC2.1, and once SPs are assessed and selected, site-specific ESMPs will be prepared, either by the regional PIU offices, or by external consultants, based on the project’s E&S framework instruments.

SC2.2 will finance the implementation of selected SPs in the areas of territorial governance, food sovereignty, community economies, market-oriented productive or entrepreneurial activities, which may include: (a) basic small scale infrastructure and critical equipment (ICT equipment, office rehabilitation and construction, etc.) for territory governance institutions; (b) provision of food security kits for animal farming (e.g., guinea pigs, hens, etc.); (c) construction/rehabilitation of plant nurseries and aquaculture pools; (d) construction/rehabilitation of basic infrastructure and provision of equipment/goods to access markets (e.g., floating docks, small runway improvements, collection centers, and boats); (e) trainings to improve production (e.g., processing organic fertilizers); (f) technical assistance, small infrastructure, and equipment to improve/support production and entrepreneurial activities; among others. It is estimated that the project could finance approximately 5-10 SPs per territory, ranging from US$50,000-US$1,000,000 per SP. SC2.3 will finance mainly technical assistance activities to improve an equitable access to financial services. Capitalization of financial intermediaries is not envisioned under the project.

C3 will finance University and Superior Education Institution (SEI) SPs that promote IPAM’s access and permanence in higher education and professionalization opportunities in areas critical for IPAMs, including investments in small scale infrastructure and equipment (SC3.1). It will also finance affirmative actions and SPs with the private sector to promote diversity and dignity in project opportunities. The acquisition of new areas for expansion of Universities or SEIs is not expected. Nor is the deployment new fiber optic under SC2.2 and/or C3.1. All C2 and C3 SPs will only be approved for implementation once their relevant site-specific E&S assessments and plans have been prepared and approved by the PIU and the Bank. High or substantial risk SPs will not be financed.

C4 is an emergency (not CERC) component to respond to the COVID-19 pandemic, through which the procurement and delivery of the following will be financed: (i) food, water, and sanitary supplies for IPAMs primarily in rural areas; (ii) EPPs for traditional healers, community leaders and other relevant parties; (iii) supplies, including seeds and small scale infrastructure (e.g., greenhouses), for traditional healers utilizing medicinal plants for the prevention and treatment of COVID-19 symptoms; and (iv) articulation of protocols and support between traditional medical systems and the national health care system for COVID-19 prevention and response in IPAM communities.

C5 includes administration, monitoring and evaluation, as well as institutional capacity activities and the preparation, consultation and disclosure of the project’s E&S framework instruments (refer to ESS1).
Interventions could overlap with natural and critical natural habitats (e.g., National Protected Areas – NPAs). Ecuador has a total of 48 NPAs in its Coastal (21), Andean (17) and Amazon (10) regions, occupying approximately 20% of its territory; almost half of these areas overlap with IPs territories. These 3 regions overlap with 1 UNESCO World Heritage Site (Sangay National Park), 22 Alliance for Zero Extinction areas (AZEs, as defined by the AZE members), and 124 Key Biodiversity Areas (KBAs, as defined by the KBA Partnership).

According to the 2010 census, IPAMs make up 21.6% of the national population. IPs live in all 3 continental regions of Ecuador, but are primarily located in the Andean and Amazonian regions and are made up of 14 nationalities and 16 peoples, with about 20% living in urban areas. ADs are located in the Coastal and Andean regions, with 2/3 living in urban and 1/3 in rural areas. MPs mostly live along the Coastal region, distributed along rural and urban areas. Violence against women is an important issue as 59.3% of indigenous women and 55.3% of Afro-Ecuadorian women report some form of domestic violence. Only 20% of victims of this type of violence seek institutional support, and only half have initiated legal proceedings. In indigenous and Afro-Ecuadorian communities of Ecuador it is common for children to participate in family and community-based productive activities, which may include agriculture. According to the US Department of Labor, about 5% of children between the ages of 5 and 14 in Ecuador work, of which 82% work in agriculture.

D. 2. Borrower’s Institutional Capacity

The Project Implementation Unit (PIU), to be managed by the Secretariat of Human Rights (SDH), will be established at the central level within the Sub-Secretariat for Nationalities, Peoples and Social Movements (SSNPSM) of the SDH, which is permanently advised by the National Council for Equality for Peoples and Nations (CNIPN). SDH, as an Institution, has no prior experience preparing or implementing Bank financed operations, but several of the specialists working for the SSNPSM and CNIPN have worked in both PRODEPINE and PROLOCAL, projects financed by the Bank with very similar designs and beneficiary populations.

Project preparation team: preparation is being supported by a preparation team composed by SDH specialists and IPAM technical advisors, nominated by the IPAM organizations, which has ensured a participatory process throughout. The team is also integrated by a social focal point (from the SDH) and an environmental focal point (representative of an IPAM organization), both designated by the SDH and responsible for leading the development of the necessary E&S assessments (refer to ESS1 for further details). The preparation team was trained on the ESF and applicable requirements early during preparation.

Project implementation team: for project implementation, the PIU will be staffed at the central level with fiduciary, technical, and operation specialists, including a full- time environmental specialist, a full- time social specialist, and a full- time gender and intergenerational issues specialist. In addition, three technical advisors will be nominated by IPAM national level representative organizations (who participate in the national dialogue platform) to work full-time for the PIU to serve as the voice and primary facilitators for communication and coordination with IPAM organizations and authorities. The IPAM Steering Committee will include authorities from SDH and the Sub-Secretariat for Nationalities, Peoples, and Social Movements (SSNPSM), and two representatives of each of the ethnic groups. At the territory level, one environmental and one social specialist will be hired or designated at each of the regional offices to be established by the project (as part of C5) to provide ongoing accompaniment and support to the beneficiaries where serve the territories in which investments will take place. These specialists will develop the subproject specific
E&S instruments and supervise their implementation in coordination with the central level E&S specialists throughout project implementation (for more complex SPs, consultancies may be hired to develop site-specific instruments). These specialists will be either designated or hired by the PIU no later than 30 days after project effectiveness date, as stated in the project’s ESCP. The POM will clearly define the qualifications and roles of central and territorial level E&S specialists.

In order to strengthen the PIU’s ability to manage social and environmental risks and impacts in accordance with the Bank’s ESF during implementation, the following specific areas of improvement and institutional strengthening measures have been proposed at both the central and territory level, and included in the project’s draft ESCP:

(i) PIU’s staff, including specifically E&S specialists and a gender and intergenerational issues specialist at the central level and E&S specialists in the regional offices, will be hired based on TORs agreed with the Bank team’s environmental and social specialists and the proposed candidates will require Bank's No-objection. Training on ESF requirements will be carried out for these PIU staff and implementation support will be provided by the Bank, as needed, throughout execution. Trainings will be financed as part of C5, during the 1st year of implementation.

(ii) Implementation of Working Groups (WGs): the PIU will establish WGs as needed with relevant E&S authorities to facilitate SP approval processes (e.g., obtaining the necessary environmental permits and licenses) and strengthen supervision (e.g., regarding the application of the environmental permits/licenses commitments). WG’s will be convened through formal letters (“oficios”) to be sent by the PIU, and the results/agreements formalized through minutes to be signed after each meeting.

(iii) Hiring of E&S technical assistance consultants at the territories (amount depending on workload and demand), responsible of providing technical assistance and support to beneficiaries in the implementation of the required site-specific ESMPs. Technical assistance consultants will be hired by the project on a “as needed” basis.

(iv) Stakeholder Selection Committee (SSC): Approval of SPs will be recommended by an SSC, which will be comprised by leaders and authorities of IPAMS and local governments. The SSC will meet as many times as needed to fluidly review and recommend on SP ideas and final proposals. Analyses and recommendations will take into account E&S aspects as detailed in the project’s E&S framework instruments, including compliance with the Exclusion List (refer to ESS1).

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

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

Based on the available information, project environmental risk classification is considered to be Moderate under the WB ESF. Classification is mainly based on: (a) the scope and location of the small-scale infrastructure works under SC2.2 and SC3.1, as well as on the location and specific activities of the technical assistance SPs, which will be determined as part of C1 and SC2.1 during implementation; and (b) the procurement and delivery of sanitary supplies and EPPs to IPAMS in response to the C19 emergency. Regarding (a), the proposed classification considers that potential adverse risks and impacts as a result of the small scale civil works under SC2.2 and SC3.1 are expected to be: (i) temporary and/or reversible; (ii) mainly low (to moderate) in magnitude and not expected to cause serious adverse effects to human health and the environment, even though SC2.2 SPs could be located within natural and critical...
natural habitats; (iii) site-specific, without likelihood of impacts beyond the infrastructure footprint; and (iv) easily mitigated in a predictable manner. In the case of the project’s technical assistance SPs, the proposed classification takes into account potential indirect risks stemming from the implementation of these activities, which can become impacts if not well identified and mitigated, and/or if the PIU does not have the capacity to adequately implement and supervise the E&S instruments. Ultimately, SPs under SC2.2 and SC3.1 will only be considered eligible for financing during implementation if they are assessed as moderate or low risk from an environmental and social perspective. The SDH has prepared a detailed Exclusion List in this regard (refer to ESS1 for details). Finally, regarding (b), the proposed risk classification considers that no civil works are envisioned under the C19 component, and that its potential impacts are largely centered on ensuring an adequate distribution, handling and disposal of EPPs and sanitary supplies, and the health and safety of its users.

Based on the review of available documentation and discussions with the SDH, key anticipated potential adverse environmental risks and impacts are related to:

A. During implementation and operation of small scale infrastructure works and equipment/software interventions under SC2.2 & SC3.1: (i) overall nuisances to communities due to noise and vibration, dust, waste, and visual disturbances; (ii) poor working conditions and risk of third-party and occupational accidents; (iii) inadequate handling and disposal of wastes, including e-waste and potentially hazardous materials (e.g., asbestos); (iv) increased risk of third-party accidents due to inadequate protection of construction sites, particularly in the case of SC3.1 as works could be developed in parallel to education activities; (v) potential impacts on chance archaeological findings during earthworks; and (vi) potential degradation of water bodies due to construction/rehabilitation and operation of small scale aquaculture ponds and docks.

B. During technical assistance activities under SC2.2: related to community and occupational health and safety issues due to inadequate handling and disposal of agrochemicals and pesticides, and accidents due to unsafe use of equipment and technology. Risks related to the significant conversion and/or degradation of natural/critical natural habitats are not expected as the small scale civil works and technical assistance activities will be subject to a robust Exclusion List (refer to ESS1) through which those with the potential of generating adverse impacts on natural and critical natural habitats will be automatically screened out.

C. During the procurement and delivery of sanitary supplies and EPPs to IPAMs under C4: mainly related with an inadequate use/removal and final disposal of used EPPs, as well as with an inadequate use of sanitary supplies and the final disposal of the containers and other related waste.

Social Risk Rating

The project will benefit indigenous, Afro-Ecuadorian and Montubio peoples and nationalities, which are among the most vulnerable and marginalized people in the country, by strengthening their participation in governance and planning, improving food sovereignty, financial inclusion, and income generation and promoting their access to higher education and more diverse and dignified employment opportunities. While the project is expected to have overall positive social impacts, based on preliminary screening, the social risk classification of the project is substantial due to: (i) heightened expectations created for IPAMs to participate in project benefits when project resources are limited to only intervene in some areas; (ii) IPAM organizations’ expectations that have been created by previous projects to manage funds directly for SPs when the relevant capacity is not deemed sufficient; (iii) the government’s weak implementation capacity and the upcoming change in government that could put project implementation at
risk- which could be perceived as a rupture on the social contract around the project with IPAM organizations and leadership; (iv) exacerbation of existing conflicts regarding land use, especially if IPAM land or natural resources are proposed for use under SPs have been invaded by external parties; (v) risks related to contextual violence in border areas related to illegal economic activities; (vi) the potential of the project to cause tension within and between IPAM organizations and with subnational government entities in relation to territorial planning and community production models; (vii) the presence of non-IPAM populations and international migrants and refugees in potential project areas and the potential for project activities to cause tension with these groups in relation to access to jobs, financial services, or means of production; (viii) the potential need to enforce legally designated protected areas where Indigenous Peoples or Afro-Ecuadorians use natural resources; (ix) tensions with potentially affected areas such as intermediaries; (x) the participation of children in productive activities, as well as inconsistent implementation of local labor laws; (xi) potential barriers to access to project benefits of the elderly, people with disabilities, and LGBTI individuals within IPAM communities, including elite capture, contextual crime and violence, gender based violence and domestic violence; (xii) minor physical or economic displacement. The project is also being implemented in a complex political and social environment due to recent social unrest and exacerbated by the current emergency caused by the COVID-19 pandemic. In addition, SDH, the project implementation unit has not implemented a World Bank project before and will be required to navigate this complex environment whilst complying with the ESF.

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:*

Component 4:
For C4, an Environmental and Social Management Framework for the response to COVID-19 (COVID-ESMF) will be prepared, consulted, approved, and disclosed before any of the activities it is intended to cover can commence, per the project’s draft ESCP [disclosed June 10 2020 on WB’s and SDH’s institutional website]. Project’s preparation team will support the preparation of the COVID-ESMF, until the PIU is established. It will be developed in line with the Strategic Preparedness and Response Plan for Coronavirus disease prepared by the WHO, as well as with other international industry guidelines and good practices. It will include, among others, measures to properly use, remove, and dispose used EPPs, as well as measures for the adequate use of sanitary supplies and disposal of the containers and related chemical waste, ensuring the health and safety of users, an adequate waste management, and prevention of contamination, and the relevant ESS2 issues.

Components 1 through 3:
C1 through C3 will support the preparation and implementation of technical assistance and small-scale infrastructure SPs, for which a separate Project-ESMF will be prepared. SPs’ type and scope of activities and their geographic location will be defined as part of C1 & SC2.1 activities, and the investments carried out under SC2.2, SC2.3, and C3. Disbursements for activities under C2 and/or C3 will only occur once the Project-ESMF and other C1-C3 required social framework instruments (as detailed under each ESS) are prepared, consulted, and disclosed.

During project preparation, the following have been developed by the Borrower:
(i) A draft SEP including a stakeholder mapping, consultation and information disclosure plan, resources and implementation arrangements, and grievance redress mechanism (GRM);
(ii) A draft ESCP describing the timelines and commitments for the preparation and implementation of the project’s E&S instruments, training and capacity building, staffing and implementation arrangements for the PIU, and other necessary E&S measures; and
(iii) A preliminary assessment of the project’s key potential E&S risks and impacts in sufficient detail to inform stakeholder engagement and Bank decision making during preparation. Considering the results of this assessment, guidelines and procedures for the adequate management of the identified E&S issues have been proposed (refer to ESSs2-8), and the project’s Exclusion List has been developed (described under this ESS).

During project execution the Borrower will prepare, consult, and disclose the Project-ESMF. It will validate and further assess main project E&S issues and expected risks and impacts, confirm and develop the proposed guidelines and procedures for their adequate management, in line with para. 5 of ESS1, and further define the necessary implementation arrangements and capacity building activities. The Project-ESMF will be disclosed prior to any disbursements for activities under C2 and/or C3, while site-specific ESMPs will be prepared, finalized and approved prior to (a) the initiation of procurement for the execution of each SP, or (b) signing the necessary subsidiary agreements with the SP beneficiary organizations (depending on whether the SP is centrally executed, or executed by the beneficiary organizations, respectively), as detailed in the draft ESCP. Site-specific ESMPs will be developed by the PIU E&S specialists, or by specific consultancies, to be hired depending on the SPs’ level of complexity.

The Project-ESMF will include the following minimum components:

(i) Legal Framework: highlighting national regulations, international agreements and EHS Guidelines and GIIP that are applicable to the project and relevant to the application of each ESS, including WBG General EHS Guidelines for infrastructure works in general, and for the potential handling of hazardous material (e.g., asbestos) in particular.

(ii) Institutional Framework: describing the necessary institutional arrangements for the implementation of the project, the level of decentralization for the supervision of the preparation of site specific ESMPs and oversight of interventions, and the necessary institutional strengthening activities to ensure an adequate management of project’s E&S issues (refer to the Borrower’s Institutional Capacity section).

(iii) E&S and Gender risks and impacts: The Project-ESMF will validate and further assess, based on the territories prioritized for project interventions, the main general E&S risks and impacts pre-identified during preparation. These include, among others: i) IPAM organizations’ expectations, created by previous projects, to manage funds directly for SPs, when their capacity may not be sufficient; ii) weak capacity and the upcoming government change affecting project implementation, which may be perceived as a rupture on the social contract around the project with IPAM leadership; iii) exacerbation of existing conflicts regarding land use, especially in SPs in IPAM lands subject to invasion by external parties; iv) contextual violence risks related to illegal economic activities in border areas; v) project-caused tension within and between IPAM organizations around territorial planning and community production models; vi) tensions over access to jobs, financial services, or means of production with non-IPAM populations present in potential project areas; vii) the potential need to enforce legally designated protected areas where IPAMs use natural resources; viii) tensions with potentially affected groups such as intermediaries; ix) the participation of children in productive activities and inconsistent implementation of labor laws; x) potential barriers to access to
The World Bank
Territorial Economic Empowerment for the Indigenous, Afro-Ecuadorians and Montubian Peoples and Nationalities (TEEIPAM) (P173283)

project benefits of vulnerable groups (the elderly, people with disabilities, LGBTI people) within IPAM communities, including elite capture and contextual, gender based, and domestic violence; x) large proportion of the IPAMs territories overlap with Protected Areas and other type of Critical Natural Habitats; xi) lack of efficient measures to monitor the implementation of E&S requirements per national law by different government entities; xii) limited capacity of local environmental authorities; xiii) lack of a legal framework for regulating: use/promotion of invasive species, management/disposal of hazardous materials (e.g., asbestos), promotion of integrated pest management, etc.

(iv) E&S Management process, including:
(a) Exclusion List with the set of interventions that will not be financed by the project due to their potential significant E&S risks. The List will explicitly rule out the following interventions: those classified as of High or Substantial E&S risk, per the screening tool (see “b” below); those with the potential of generating adverse significant impacts over natural and critical natural habitats, including paramos, mangroves, coral reefs, wetlands, etc.; that imply the introduction and/or promotion of invasive species, including both terrestrial and aquatic species; located within the limits of nationally recognized Historical or Archeological sites; that imply the conversion of primary forests; that use agrochemicals and other hazardous materials classified as extremely and/or highly dangerous per the WHO; those that involve child labor, per EAS2 and the LMP. This List will be further developed during execution and reflected in the Project-ESMF and POM.
(b) A robust tool and procedure for the screening, assessment, and approval of technical assistance activities and infrastructure works of SPs to be financed under SC2.2-2.3, and SC3.1. By using this tool/procedure, the PIU will be able to: identify interventions that need to be excluded based on their E&S impacts and risks; for each intervention, the need for site-specific ESMPs, IPPs, and RAPs, and the applicable E&S Management Guidelines that need to be considered and included in such ESMPs (see item “c” below) for each intervention; among others.
(c) E&S Management Guidelines for the development of site-specific ESMPs, as necessary, aligned with the requirements of relevant ESSs and national regulations. These will be required as necessary based on the results of the screening tool. Based on the developed preliminary assessment of the project’s key potential E&S risks, potential E&S management guidelines to be included and developed in the Project-ESMF include: Guidelines for Pollution Prevention and Management Plans, for E-Waste Management Plans, for Contingency and Accident Prevention Plans, for Community Health and Safety Management Plans, for Natural Resources & Habitats Management Plans, for Sustainable Production Management Plans, for Chance Find Procedures, among others (see ESS 2-8). The need of these guidelines as part of the Project-ESMF will be confirmed during execution as part of C1 and SC2.1 activities.

SPs under SC2.3, which include technical assistance to support strengthening community Banks and improvement of access to the financial service sector in beneficiary territories (these activities do not include the transfer of project funds to Financial Intermediaries), will be carried out in a manner consistent with relevant requirements of the ESSs and managed per items (a) through (c) described above.

(v) Capacity building measures to strengthen the PIU on E&S aspects of project management, at the central and territory level, as well as project beneficiaries. Staffing and implementation arrangements for the PIU have been addressed in the project’s draft ESCP.

Until the PIU is place, the Project preparation team will support the preparation of the COVID-ESMF with Bank support on the document’s template and content. Work on preparation and consultation of the project’s E&S
frameworks will start as soon as the PIU team is hired. The draft ESCP includes specific commitments related to the preparation, disclosure, and implementation of the Project E&S framework instruments.

ESS10 Stakeholder Engagement and Information Disclosure

The project will operate under a complex network of project stakeholders with overlapping membership and roles, including a wide range of stakeholder organizations belonging to the peoples and nationalities, including territorial actors at various levels. First-degree and second-degree organizations include communities made up of individuals and families as well as networks of communities in a particular territory; third-degree organizations are networks of second-degree organizations at the provincial level; fourth-degree organizations are regional and national level networks that are comprised of several third-degree organizations. In addition, organizations such as CONAIE are national in scope and incorporate organizations at all other levels. In addition, IPAMs may also be organized in thematic, non-territorial entities, including unions, faith-based organizations, and other actors. Other project stakeholders may include territorial government entities (e.g., provincial and canton-level governments), ministries, secretariats, control entities, agencies implementing other social or public investment programs, NGOs, university partners, donors, and private sector entities.

The project is being designed in a fully participatory manner. The component descriptions and list of potential technical assistance and investment activities has been prepared in close consultation with representative IPAM organizations, including women led IPAM organizations. Indigenous organizations involved in project preparation have included CONAIE, FEINE and FEI. Afro descendant organizations include Fundación Azucar, FECONCI, CANE, FOGNEP, and CONAMUNE. Montubio organizations include CEOSIM, CORMONUT, PME, and COIPSA. The Project’s objective, components, territorial focus and activities to be financed are based fully on the inputs and preferences expressed by these stakeholders. In addition, as part of component 1, the project will support a mapping of critical plurinational stakeholders, and the establishment and operational/mobilization costs of structured territorial-level dialogue and participation platforms between the stakeholders identified from IPAM peoples and nationalities, including women, the different levels of local government, and other key stakeholders in order to establish the specific activities and investments to be carried out at the local level. The project will establish a permanent engagement with national-level IPAM organizations, which provides an ongoing platform for consultations and to facilitate work at the territorial level. In addition, the project will have three IPAM technical advisors, nominated by the national dialogue platform, to work on a full-time basis for the PIU to ensure ongoing communication and coordination between the Project and IPAM organizational representatives and leadership. These arrangements will facilitate a constant two-way engagement with beneficiaries and their representative organizations throughout both project preparation and implementation.

Given this complex stakeholder environment, project preparation has included ongoing engagement and participation of key stakeholders in order to mold project objectives and design based on the priorities and preferences of IPAMs and building on past project experiences such as those of PRODEPINE and PROLOCAL. The following activities have taken place during project preparation:

i. A series of initial meetings (through VC) with IPAM organizations and leaders to introduce the project’s concept and hear their priorities and preferences.
ii. Workshops with representatives of indigenous, afro-descendant, and montubio organizations at the national level was held with each separately and then collectively in late January of 2020 with the objective of carrying out a preliminary mapping of the national-level representative PIAM organizations, an outline of the development priorities of PIAMs, and an initial overview of consultation mechanisms, and the appointment of a group of technical delegates from the organizations to support project preparation, who have been continuously engaged in project design and preparation.

iii. A series of interviews with key informants and producer organizations from a sample of territories was carried out with the objective of mapping key actors and investment opportunities in those territories and understanding the social context and potential social risks associated with activities the project is likely to finance.

iv. In order better understand the potential stakeholders at the territorial level that will be relevant during project implementation, a preliminary analysis of 584 first, second, and third level IPAM organizations registered with the Ministry of Agriculture (MAGAP), and the Ministry of Social Inclusion (MIES) was carried out. This exercise included a description of the organizations' type, organization method, objectives, scope of action, and geographical location.

v. In order to gather feedback about the development of project preparation activities and respecting lockdown and social isolation policies due to the COVID-19 pandemic, a series of interviews with 33 IPAM representatives, including members of 2nd, 3rd and 4th degree organizations were carried out between May 18-19, 2020. Feedback was sought from the organizations and interviewees on: (i) the project objectives and component descriptions; (ii) the subproject types to be financed and criteria for the selection of territories, (iii) how dialogue with organizations and communities will be carried out during project implementation; (iv) the potential social and environmental risks of the project; and (v) the proposed project grievance redress mechanism. The draft SEP incorporates the main feedback obtained from these consultations and describes how it will be further systematized and incorporated in project design.

Based on the information obtained from consultations, key informant interviews, identification of key social and environmental risks and opportunities, and IPAM organization analysis, the Borrower has prepared a draft Stakeholder Engagement Plan (SEP), which includes the following key elements: (i) a list of potentially benefited, affected, and vulnerable groups, as well as other interested parties; (ii) a description of the timing and methods of engagement with different stakeholders throughout project implementation, including in the activities under component 1 of the project, which include the establishment of structured territorial-level dialogue and participation platforms and the development of territorial planning instruments through a participatory approach, as well as in subproject design and implementation; (iii) budget, responsibilities, and implementation arrangements for the implementation of stakeholder activities under the project; and (iv) the description of the project specific grievance redress mechanism accessible to project beneficiaries. The draft SEP was disclosed both in-country on SDH’s website and on the Bank’s website on June 10, 2020.

In parallel with the activities of C1 and the development of the remaining project E&S, the project’s SEP will be updated to additionally include: (i) updated stakeholder engagement procedures based on the stakeholder mapping exercise and dialogue platforms at both the territorial and national levels (to be carried out in C1), for all relevant direct beneficiaries, affected parties, and other interested actors at the local level in subproject prioritization, design and implementation; (ii) a protocol for planning, implementing, and documenting consultation processes, taking into account specific requirements for Indigenous Peoples to be developed as part of the Indigenous Peoples Planning Framework (IPPF) to be developed under ESS7; (iii) the necessary adaptations and implementation arrangements for
the grievance mechanism in the context of subprojects. The updated SEP will be adopted and disclosed before procurement processes start or disbursements under C2 and C3 start.

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.

Worker categories under ESS2 that may be relevant in the project include direct workers hired to the PIU including consultants and supervising consultants, contractor workers for infrastructure activities, as well as potentially community workers. The project is also expected to have government civil servants working in connection with the project, who will remain subject to the terms and conditions of their existing public-sector employment agreements, unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to such government civil servants (except for the provisions of Protecting the Work Force, and Occupational Health & Safety).

The Project-ESMF to be budgeted under C5 and developed in parallel with the planning activities under C1 will document and inform the general labor needs of potential activities to be financed by the project and labor issues as well as the status of implementation of local labor laws and will develop general principles for the management of project workers. The preliminary assessment of environmental and social risks indicated the potential presence of child labor as part of family and community productive activities in sectors that could be supported by the project. The Project-ESMF will specifically assess the risk of child labor in family and community productive activities in the SPs selected for Bank support and describe the way in which subprojects specific ESMPs will analyze and mitigate this risk for specific SPs.

The Borrower will be asked to develop standalone written Labor Management Procedure (LMP) during project implementation budgeted under C5 using inputs from the Project-ESMF and in parallel with the planning activities under C1 of the project, to describe the way in which project workers will be managed, in accordance with the requirements of national law and ESS2. The Operations Manual will include the measures related to management of direct workers under C1 of the project. The Project-ESMF will cover the relevant ESS2 issues related to the COVID emergency response component.

No child labor as defined under ESS2 will be allowed under the project. The LMP will describe the specific strategies the project will use in the design, selection, and implementation of productive subprojects to ensure no child labor is present in the project. These measures will be included in subproject ESMPs and adopted and implemented by contractors and subproject beneficiary organizations.

The LMP will also describe how agreements with community workers will be reached in cases where they are involved in the project, and the terms on which such labor will be provided, including, if relevant, how the voluntary nature of the work will be ascertained and documented, how community workers will be represented, and the
methods by which community workers can raise grievances in relation to the project. The LMP will also include a
standard code of conduct (CoC) for workers, including considerations related to GBV, and SEA/SH, and will describe
how the CoC will be adopted by contractors and subproject beneficiary organizations, where relevant. The LMP will
also assess any Occupational Health and Safety (OHS) risks involved for different activities and will provide linkages to
the Project-ESMF to ensure that OHS measures are also identified at the SP level and incorporated in ESMPs and
adopted by contractors and subproject beneficiary organizations, where relevant. Such OHS measures will include
measures designed to protect workers and minimize the spread of COVID-19. The LMP will describe a GRM accessible
to project workers. The LMP will be available before disbursements related to C2 or C3 or bidding processes under C2
or C3 start. The activities under C5 include hiring PIU staff and consultants, the ESCP and Operations Manual will
address the requirements of ESS2 in relation to this component.

Adequate OHS training will be provided to workers, incidents will be reported and investigated, and corrective
measures implemented to prevent recurrence. These aspects will also be detailed in the Project-ESMF. Subproject
ESMPs will include all relevant labor requirements, including OHS aspects.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant.

Pollution prevention and management under C4: used EPPs (especially if users are infected by C19), as well as
containers and other related waste from the sanitary products to procure and deliver in response to the C19
emergency, can have an impact on the environment and human health if not managed and disposed properly. The
COVID-ESMF will include procedures to (i) ensure an adequate treatment and final disposal of used EPPs, in line with
both national regulations and international guidelines and best practices; and (ii) prevent environmental pollution
from an inadequate use of sanitary supplies and/or inadequate management and disposal of containers and other
related waste.

Energy efficiency measures under SC3.1: based on the available information, the incorporation of energy efficiency
measures may be feasible for interventions under SC3.1 that involve civil works within SEIs (expected to be small
scale interventions). This will be further assessed during implementation (as part of C1 and SC2.1 activities), and
reflected in the Project-ESMF if necessary/feasible.

Pollution management related to small scale civil works under SC2.2 and SC3.1: based on the available information,
no significant pollution issues are expected to arise from civil works under SC2.2 and SC3.1, or from the operation of
the corresponding infrastructure. The Project-ESMF will include provisions to consider ESS3 requirements in the
screening of all SPs to exclude any with significant adverse impacts related to this standard. Also, Pollution Prevention
and Management Plans might be necessary to mitigate any pollution-related adverse impact due to SC2.2 and SC3.1
interventions, in compliance with national regulations, the applicable provisions of this ESS, and “World Bank Group
Environmental, Health, and Safety Guidelines” (WBG EHSGs), in particular for the potential handling of hazardous
material (e.g., asbestos), management of wastes from aquaculture, use of hydrocarbons for boats, etc. In this sense,
and if considered necessary during execution as part of C1 and SC2.1 activities, the Project-ESMF will include
Guidelines for the development of Pollution Prevention and Management Plans, to be included as part of the site-specific ESMPs, as necessary.

Pollution management related to technical assistance under SC2.2: based on the available information, technical assistance to improve production in the agricultural and forestry sectors may pose a risk of environmental pollution and degradation of natural resources (soil, water) due to an inadequate use of pesticides and agrochemicals, unmeasured consumption of water resources, promotion of eutrophication, use of hydrocarbons for equipment, etc. This will be confirmed during execution (as part of C1 and SC2.1 activities) and, if considered necessary, the Project-ESMF will include Guidelines for Pollution Prevention and Management Plans, to be developed as part of the site-specific ESMPs and required for technical assistance activities under this subcomponent, as necessary. These guidelines would include measures for the adequate management of agrochemicals/pesticides and hydrocarbons to prevent soil/water contamination and reduce H&S risks.

Pollution management due to equipment and software interventions under SC2.2 and C3: based on the available information, old equipment may be replaced as a consequence of the equipment and software interventions under these components. This will be confirmed during implementation, as part of the planning processes and, if considered necessary, the Project-ESMF will include Guidelines for E-Waste Management Plans, to be developed as part of the site-specific ESMPs and required for interventions under these components as necessary. These would reference international best practices and guidelines, such as the UN’s 2016 e-waste Guidelines (in Ecuador there is currently no legal framework that regulates e-waste management).

ESS4 Community Health and Safety
This standard is relevant.

IPAM health and safety under C4. It is critical that beneficiary IPAMs are trained on an adequate use and removal of EPPs in order to ensure the efficacy of the equipment in preventing and controlling C19 infections. The COVID-ESMF will include capacity building guidelines in this regard. Also, the use and manipulation of some sanitary products to be acquired and delivered under this component may require the consideration of specific health and safety measures, for which the ESMF will also include manipulation protocols; these, in line with both national regulations and international guidelines and best practices.

Infrastructure design and safety under SC2.2 and SC3.1. Requirements for universal accessibility and/or safety measures will be incorporated into the design of infrastructure interventions under SC2.2 and/or SC3.1, as necessary and feasible. These considerations will be based on national legal requirements, the WBG EHSGs and other GIIP, and will be laid out and included in the Project-ESMF. In addition, it will also include measures to ensure infrastructure designs take into account the preferences of beneficiaries, including those related to the local environmental conditions and culture.

Community health and safety (CHS) under SC2.2. Given the nature and scale of interventions, and based on the available information, main potential CHS risks and impacts from the small scale infrastructure and technical
assistance activities under SC2.2 are expected to be mainly related with a potential increase of accidents and occurrence of contingencies (e.g., accidents due to inadequate use of equipment, technology, and/or procured boats, small light planes, risk of exposure to pesticides, hydrocarbon spills, among others). This will be confirmed during execution as part of the planning processes and, if considered necessary, the Project-ESMF will include Guidelines for Contingency & Accident Prevention Plans, to be developed as part of the site-specific ESMPs and required for interventions under this subcomponent to reduce the risk of accidents, as necessary.

CHS under SC3.1. Based on the available information, main expected CHS risk under SC3.1 is linked to the execution of small-scale civil works in SEIs during/parallel to education activities, which could pose a risk on the education community (students, teachers) if not adequately addressed. This will be confirmed during execution as part of the planning activities and, if considered necessary, the Project-ESMF will include Guidelines for CHS Management Plans, to be developed as part of the site-specific ESMPs and required for interventions under this component as necessary. These Guidelines would include specific measures to avoid and reduce risks to third parties during civil works. All other potential CHS risks and impacts related to SC3.1 (construction and operation) would be addressed through the proposed Guidelines for Contingency & Accident Prevention Plans indicated before.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is relevant.

Some small and medium scale infrastructure activities that are possible under C2 and C3 of the project may be related to public services administered by GADs or other public entities, and may require minor land acquisition, and physical and/or economic displacement. In these cases, the project will seek to avoid involuntary resettlement by favoring voluntary land donation, or, when unavoidable, minimize it by exploring alternative project sites. Given the budget constraints in country, if the need arises and the borrower so requests, loan resources could be authorized for land acquisition and compensation in the future.

Given that the scope and specific sites for infrastructure interventions will only be determined during project implementation, the Borrower will prepare a Resettlement Policy Framework (RPF) budgeted under C5 and in parallel with planning activities under C1 of the project. The RPF will set out the procedures to be followed for the preparation of Resettlement Action Plans (RAPs) per the requirements of ESS5, when a subproject is expected to require land acquisition, restrictions of land use, or involuntary resettlement, as well as eligibility criteria for affected persons, procedures and standards for compensation, and arrangements for consultations, budget, monitoring, as well as how the project-level GRM will address involuntary resettlement-related grievances. The RPF will also include a protocol for land donation, including to collective ownership by Indigenous or Afro-Ecuadorian communities. This protocol will provide the principles and procedure to ascertain the voluntary nature of land donations both in favor of public entities and when these are done by individual owners in favor of communities or community organizations in the context of productive activities financed by the project. The RPF will be disclosed before disbursements related to C2.2 or C3 or the start of procurement processes for infrastructure activities under C2.2 & C3 of the project. When required, subproject specific RAPs will be prepared, consulted, and approved before bidding for activities that require them start, and implemented before construction begins.
The Project-ESMF will determine whether potential project activities may require the establishment or enforcement of legally designated protected areas that may cause restrictions in access to natural resources. If this the case, the RPF will include a Process Framework that will describe the process by which members of communities potentially affected by such restrictions will participate in SP design, the determination of measures necessary to achieve the objectives of ESS5, and implementation and monitoring of such measures in relevant SPs.

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

This standard is relevant for interventions under SC2.2, as SC3.1 infrastructure activities will occur outside natural areas. Even though SC2.2 interventions will be located in areas prioritized by IPAMs, which could overlap with natural and critical natural habitats (e.g., NPAs and Protective Forests), it is not expected that these will generate significant adverse risks and impacts over natural or critical natural habitats or their natural resources. This, mainly considering that: (i) construction of new infrastructure in non-intervened natural areas is not envisioned; (ii) civil works are expected to be punctual, small scale, and of limited scope; and (iii) interventions with a significant environmental direct and/or indirect risk, and/or that pose potential significant adverse impacts over critical natural habitats will be automatically screened out, based on the Exclusion List.

Infrastructure interventions under SC2.2. As part of C1 and SC2.1 activities, the need of environmental management plans as part of site-specific ESMPs to manage/mitigate impacts over natural resources (e.g., rivers, lakes, patches of mangrove, paramo, coral reefs, wetlands, etc.) for SPs under SC2.2 will be assessed and determined. Based on the available information, in order to mitigate any potential low-scale impacts from the expected small scale civil works, and from their operation, the Project-ESMF is expected to include Guidelines for Natural Resources & Habitats Management Plans, to be developed as part of the site-specific ESMPs and required for interventions under this subcomponent as necessary, in line with national regulations and requirements of this ESS, especially when interventions are located within sensible ecosystems such as mangroves and paramos. The need of these guidelines as part of the Project-ESMF will be confirmed during execution, as part of C1 and SC2.1 activities.

Technical assistance under SC2.2: the Project-ESMF will include provisions to consider ESS6 requirements in the screening of all technical assistance activities to exclude interventions that could involve significant impacts on natural and critical natural habitats, biodiversity, and ecosystem services. The Exclusion List will include interventions that imply the introduction and/or promotion of invasive species and/or non-native species (not currently established in the region), including both terrestrial and aquatic species; land use change from primary forests to plantations, agroforestry systems, and silvopastoral systems; etc. Likewise, for technical activities supporting small scale producers (agriculture, agroforestry and/or forestry plantations), the Project-ESMF will include requirements related to (i) the sustainable management of living natural resources (process for evaluating overall sustainability of activities and gradually improving practices) and (ii) primary suppliers (process for evaluating the systems and verification practices used by the primary suppliers), as part of Guidelines for Sustainable Production Management Plans, to be developed within ESMPs and implemented as necessary. The need of these guidelines as part of the Project-ESMF will be confirmed during execution as part of the planning activities.

In the case of SPs and technical assistance interventions located within critical habitats (mainly NPAs and Protective Forests), specific additional requirements would have to be met for the intervention to be considered eligible.
Potential requirements, to be included in the Project-ESMF, may include: (i) adverse potential environmental impacts are not considered to be relevant; (ii) an Environmental Feasibility Report has been presented to the Natural Heritage Sub-secretary of the MAE, and a favorable response has been obtained, following national requirements; (iii) the NPA’s Management Unit agrees with the project and has been, and will continue to be actively involved in the development and execution of the intervention; (iv) the intervention is aligned with the NPA’s Management Plan regarding the area’s conservation objectives, permitted activities, and land use classification/zoning; and (v) the necessary permits, per national requirements, have been obtained. These will be assessed during execution (as part of C1 and SC2.1 activities), and reflected in the Project-ESMF as necessary.

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

This standard is relevant.

Project beneficiaries include Indigenous, Afro-Ecuadorians and Montubio peoples and nationalities, which each represent about 7% of the national population. Afro-Ecuadorian and Montubio communities do not fulfill the criteria for Indigenous Peoples in ESS7. As Indigenous Peoples are not the sole or overwhelming majority of beneficiaries, the project is not considered an Indigenous Peoples project under paragraph 14 of ESS7.

In line with ESS7's specific requirements for participation and consultation of Indigenous Peoples, the Borrower will prepare an Indigenous Peoples Planning Framework (IPPF) financed by C5 and in parallel with the planning activities under C1. The IPPF will describe how the Borrower will consult Indigenous beneficiaries and relevant organizations about subproject selection and design, including the participation of vulnerable groups within communities, in accordance with ESS7’s requirements on meaningful consultation, the national legal framework, and the communities’ traditional decision-making processes. The IPPF will provide information on decision-making processes and representative bodies unique to the primary Indigenous peoples and nationalities present within the selected project territories and at a national level, and specific procedures for consultations with Indigenous communities and organizations at various stages and levels of intervention of the Project, including in the prioritization of potential investments and selection of specific investments in communities. The IPPF will also cover SPs in which IPs are present but do not constitute the sole or overwhelming majority of beneficiaries and will describe the process by which Indigenous Peoples Plans (IPPs) will be prepared for subprojects where IPs are not the main target group.

SPs implemented in Indigenous communities will be considered Indigenous Peoples projects and would not need separate Indigenous Peoples Plans. The IPPF will outline how the Borrower will incorporate the elements of an Indigenous peoples plan in SP design and site specific ESMPs through the engagement of Indigenous communities to ensure their ownership and participation in project design, implementation, monitoring and evaluation, including, when relevant based on the requirements of ESS7, their free, prior, and informed consent (FPIC), and how, the Borrower will ensure the cultural appropriateness of SPs.

The IPPF will be prepared and consulted with budget under C5 and in parallel with the planning activities under C1 of the project and will be disclosed before disbursements related to C2 or C3 or the start of procurement processes under C2 & C3.
ESS8 Cultural Heritage
This standard is relevant.

It is not expected that SC2.2 interventions will be located within the limits of cultural sites, nor that these will have direct or indirect adverse impacts on cultural heritage, both tangible (e.g., archaeological sites) and intangible. Moreover, the Exclusion List rules out interventions located within the limits of nationally recognized Historical or Archeological sites.

Chance findings could occur during earthworks as part of the mainly small-scale infrastructure activities under SC2.2 and SC3.1. For any interventions involving earth movements, the Project-ESMF will include Guidelines for the preparation of a chance find procedure in accordance with national laws and regulations (which require a “excavation permit” from the Cultural Heritage National Institute).

Per the requirements of ESS8, the Project-ESMF will also describe how subprojects will be screened to determine whether they propose the commercial use of cultural heritage and, if so, to ensure such subprojects are prepared per the requirements of ESS8 including: (a) that meaningful consultation is carried out; (b) that provisions for fair and equitable sharing of benefits, consistent with customs and traditions of any affected parties are included in project design; and that (c) any negative impacts are properly assessed and mitigation measures developed according to the mitigation hierarchy. Given the participatory approach of the project, any subprojects involving cultural heritage will be carried out at the initiative and for the benefit of IPAM communities.

ESS9 Financial Intermediaries
This standard is not currently relevant.

The project will support financial inclusion through support for community Banks and improvement of access to the financial service sector in beneficiary territories. These activities do not include the transfer of project funds to Financial Intermediaries (FIs) but instead will finance activities that bridge the gaps between IPAMs financial service needs and the institutions that can support these services. The Project will also finance the creation and strengthening of community banks that primarily provide micro savings and loan services for personal needs.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways
No

The Project takes a community driven development (CDD) approach to support the livelihoods of Indigenous Peoples and Nationalities, Afro-Ecuadorians, and Montubians (IPAMs) in selected territories of Ecuador, in accordance with their vision and priorities for development. This includes the financing of small-scale subprojects in areas such as food
security, financial inclusion and education, where IPAMs communities will be the beneficiaries. The Project does not fall within the types of projects set out in paragraph 2 of OP 7.50; the Policy is therefore not triggered.

**OP 7.60 Projects in Disputed Areas**

No project interventions are expected in disputed areas.

### 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>Prepare, consult, finalize and disclose COVID-ESMF</td>
<td>12/2020</td>
</tr>
<tr>
<td>Prepare, consult, finalize and disclose Project-ESMF</td>
<td>10/2021</td>
</tr>
<tr>
<td>Hire/designate 1 environmental specialist, 1 social specialist, and 1 gender and intergenerational issues specialist within the PIU at the central level</td>
<td>11/2020</td>
</tr>
<tr>
<td>Hire/designate 1 environmental specialist and 1 social specialist, at each of the five regional offices to be established by the project</td>
<td>11/2020</td>
</tr>
<tr>
<td>Hire/designate three (3) technical advisors nominated by IPAM organizations</td>
<td>11/2020</td>
</tr>
<tr>
<td>ESS 10 Stakeholder Engagement and Information Disclosure</td>
<td></td>
</tr>
<tr>
<td>Update, consult, finalize, and disclose the SEP</td>
<td>10/2021</td>
</tr>
<tr>
<td>Develop, adopt, manage, and apply a GRM that is culturally appropriate and accessible to indigenous peoples</td>
<td>11/2020</td>
</tr>
<tr>
<td>ESS 2 Labor and Working Conditions</td>
<td></td>
</tr>
<tr>
<td>Prepare and implement as part of the POM procedures for the management of direct project workers</td>
<td>10/2020</td>
</tr>
<tr>
<td>Prepare, adopt, disclose, and implement de LMP, including a code of conduct for project workers.</td>
<td>10/2021</td>
</tr>
<tr>
<td>Prepare and implement procedures for management of project workers for C4 as part of the COVID-ESMF per the requirements of ESS2.</td>
<td>12/2020</td>
</tr>
<tr>
<td>Establish, maintain, and apply a GRM for project workers</td>
<td>11/2020</td>
</tr>
<tr>
<td>Prepare and implement as part of the POM occupational health and safety measures for C1 project workers</td>
<td>10/2020</td>
</tr>
<tr>
<td>ESS 3 Resource Efficiency and Pollution Prevention and Management</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Prepare, consult, finalize and disclose the Project-ESMF, which will include pollution prevention and management measures related to SC2.2 &amp; SC3.1 activities</td>
<td>10/2021</td>
</tr>
<tr>
<td>Prepare, consult, finalize and disclose the COVID-ESMF, will include pollution prevention and management measures related to C4 activities</td>
<td>12/2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESS 4 Community Health and Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare, consult, finalize and disclose the Project-ESMF, which will include community health and safety measures related to SC2.2 &amp; SC3.1 activities</td>
</tr>
<tr>
<td>Prepare, consult, finalize and disclose the COVID-ESMF, will include community health and safety measures related to C4 activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare, adopt, disclose, and implement an RPF, including if considered necessary by the Bank, a Process Framework</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare, consult, finalize and disclose the Project-ESMF, which will include biodiversity management measures related to SC2.2 activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare, consult, adopt, disclose, and implement an IPPF</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESS 8 Cultural Heritage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare, consult, finalize and disclose the Project-ESMF, which will include a chance finds procedure for SC2.2 &amp; SC3.1 activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESS 9 Financial Intermediaries</th>
</tr>
</thead>
</table>

### 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:**
None.

**IV. CONTACT POINTS**

**World Bank**

Contact: Mariana Felicio  
Title: Senior Social Development Specialist  
Telephone No: +1-202-458-5028  
Email: mfelicio@worldbank.org

Contact: Dianna Pizarro  
Title: Senior Social Development Specialist  
Telephone No: +1-202-473-5661  
Email: dpizarro@worldbank.org

**Borrower/Client/Recipient**

Borrower: Republic of Ecuador

**Implementing Agency(ies)**

Implementing Agency: Secretariat of Human Rights (Secretaria de Derechos Humanos)

**V. FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: http://www.worldbank.org/projects

**VI. APPROVAL**

Task Team Leader(s): Dianna Pizarro, Mariana Felicio

Practice Manager (ENR/Social): Valerie Hickey Cleared on 10-Jun-2020 at 15:56:12 EDT

Safeguards Advisor ESSA: Maria Da Cunha (SAESSA) Concurred on 10-Jun-2020 at 20:38:39 EDT