Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 02/19/2020 | Report No: ESRSA00459
### 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>Costa Rica</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P172352</td>
<td></td>
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</tbody>
</table>

- **Project Name**: Costa Rica Fiscal Management Improvement Project
- **Practice Area (Lead)**: Governance
- **Financing Instrument**: Investment Project Financing
- **Estimated Appraisal Date**: 2/10/2020
- **Estimated Board Date**: 3/26/2020
- **Borrower(s)**: Republic of Costa Rica
- **Implementing Agency(ies)**: Ministry of Finance

#### Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve efficiency, effectiveness and client orientation of tax and customs administration, and public expenditure management.

<table>
<thead>
<tr>
<th>Financing (in USD Million)</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>153.00</td>
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</table>

#### B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

#### C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project is a six-year Investment Project Financing (IPF) operation that has five main components. The five components will support the digitalization and modernization of the Ministry of Finance. This will facilitate tax and customs services and payments, reduce fiscal evasion, improve budget efficiency, facilitate debt management, and transform the institutional culture to place the citizens at the center as clients.

#### D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
The project is national in scope. Activities aimed at improving operations and processes of tax collection and customs management will be implemented on a national scale, in a national context characterized by low compliance rates of personal and corporate income tax, and tax evasion and avoidance estimated at 8.22% of GDP in 2013. While poverty rates in Costa Rica are among the lowest in LCR, poverty reduction has stagnated in recent years and inequality is rising. Approximately 2.4 percent of the population is Indigenous; while this represents a small proportion of the national population, the cantons with the highest poverty rates are also those where most of the indigenous population lives. Lower employment and income opportunities for IPs has also translated into a higher rates of self-employment, which may imply higher rates of SME ownership among IPs relative to the general population.

Several important measures have already been implemented to improve tax collection. For instance, the passage of the fiscal reform bill (Law of Public Finance Strengthening) was a critical step, as it includes changes to two fundamental taxes: The General Sales Tax and the Income tax. This reform includes conversion of the sales tax into a value added tax (A new VAT went into effect on July 1, 2019), as well as higher income taxes. On this matter, the General Directorate of Taxation (DGT) passed a 2019-2021 plan against the evasion of the general sales tax and the VAT. On the expenditure side, it includes wage restraint and a fiscal rule that ties down spending growth. The expected total yield of the reform is estimated at 4 percent of GDP by 2023, with government debt peaking at about 62 percent of GDP that year and declining gradually thereafter. However, market reaction has been cautious and financing costs remain high. Shortly following passage, however, three rating agencies downgraded Costa Rica’s sovereign credit rating and placed the country on a negative outlook, citing continued worsening of debt dynamics and significant short-term funding challenges. To raise additional revenue, the bill introduces two new top brackets to personal income tax (PIT), with rates of 20% and 25%, at 5 and 10 times the average income, thereby also raising its progressivity. The Executive has also submitted a VAT reform, intending to increase the tax rate from 13% to 15% and enlarge the tax base by extending VAT collection to all services sectors. Additionally, as part of its tax reform, government is planning to reassess its current system of corporate tax incentives with the aim of streamlining the incentives and increasing transparency.

The Government has given priority to tax and customs administration modernization and therefore, is carrying out a series of policy measures that include: (i) a general tax reform that combines a current expenditure tax rule with the introduction of Value Added Tax (VAT) and the update of the income tax; (ii) the law of modernization of public employment; and (iii) an institutional administrative reform. The Government is not pursuing another hike in the tax rates and has requested the World Bank support through an IPF focused on improving tax administration to raise more revenues and reduce compliance gaps. The project would support medium- and long-term reforms related to tax and customs administration, especially regarding the interoperability, and other services related to trade facilitation.

The physical footprint of project activities will meanwhile be limited to negligible from a social and environmental perspective. Activities involving IT infrastructure installation and upgrading of customs equipment may involve very limited physical impacts, all within existing government buildings and properties, which are described further under ESS1.
D. 2. Borrower’s Institutional Capacity

The Project aims to improve Borrower efficiency and effectiveness of tax and customs operations through enhanced enforcement processes and improved data development and management. The Project will be implemented by the Ministry of Finance (Ministerio de Hacienda), under the coordination of the Vice Ministry of Income (Viceministerio de Ingresos). A project coordination unit (PCU) will be established within the Ministry of Finance to oversee the activities implemented.

The Ministry of Finance has implemented World Bank projects before; however, they do not have prior experience with the Bank’s Environmental and Social Framework. The Bank provided training on the ESF to key MoF staff in the context of project preparation. A PCU to be established will take responsibility for overall project management, including environmental and social aspects, and will contract relevant experts to guide on ESF related issues by the project’s effectiveness date and will be maintained throughout implementation. On environmental, health and safety (EHS) capacity, given that the project environmental risk is expected to be low, and considering generally strong national systems, there will only be a need for an intermittent EHS specialist on the project. With respect to social management capacity, the project will require a full-time social specialist to support implementation and monitoring of risk mitigation mechanisms identified under the project’s social instruments. The social specialist will be engaged by the project’s effectiveness date and will be maintained throughout implementation.

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

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The environmental risk classification for the project is considered low. The project is not expected to generate any significant environmental impacts, as its activities are focused on improving operations and processes of tax collection and customs management. The project includes the financing of information systems equipment (software and hardware) and border/customs equipment that could entail the acquisition of apparatuses such as laboratory equipment, security cameras connected to virtual monitoring centers, laptops, printers, and other tools that improve connectivity, mobility and productivity. Some minor and indirect negative environmental risks and impacts could occur related to e-waste from electronic equipment replacement, as well as Occupational, Health and Safety (OHS) issues in the installation and use of equipment procured by the project. The project will ensure appropriate management of these issues and will seek to maximize positive environmental and OHS impacts through the development of procedures, guidelines and capacity building related to safe use of equipment as well as management of any minor EHS construction stage issues that may arise.

Social Risk Rating

The social risk classification for the project is considered moderate. The proposed project is expected to generate mainly positive social impacts through: (i) strengthened capacity to efficiently allocate scarce public resources, therefore leading to improved delivery of essential public services; (ii) improved fiscal position due to better expenditure management and increased tax and customs revenue collected, which is expected to help protect past
gains from reductions in poverty and inequality and support the sustainability of the country’s Social Compact, Green Trademark, and future progress overall, and; (iii) savings to taxpayers in terms of the reduction of time required to clear customs and pay taxes from more efficient and effective tax administration processes. Improving expenditure efficiency and fiscal sustainability practices will not only lead to a more effective use of resources available but will also strengthen public accountability and transparency of public finances. Improvements in taxpayer services are expected to benefit certain types of firms that may currently face a disproportionate tax compliance burden, for example small-businesses and female-led businesses – by addressing and reducing the barriers they face as taxpayers. The main social risks associated with the proposed project include: (i) resistance to proposed project activities from taxpayers currently not in compliance with the tax code, as well as push back from specific stakeholder groups, such as importers-exporters, auxiliary agents (customs brokers, bonded warehouses, etc.); (ii) potential exclusion of taxpayers and groups or individuals who participate cross-border activities and who lack access to internet or technological resources, particularly affecting vulnerable groups and indigenous peoples; (iii) the possibility that enhanced tax compliance will imply short-term income impacts that would disproportionately affect poor or vulnerable taxpayers, such as indigenous and female-headed households and/or SMEs and; (iv) potential job loss within the MoF as a result of improvement and automation of core processes.

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:

While most project activities relate to strengthening institutions, systems, and software for tax and customs management, Subcomponent 3.1 “Strengthening and automating customs controls and clearance procedures”, may result in minor, site specific E&S risks and impacts. Activities may include the acquisition of apparatuses such as non-intrusive scanning inspection equipment, laptops, printers, and other tools that improve connectivity, mobility and productivity. To address any potential environmental, social, health and safety risks which may arise from installing new equipment (and, relatedly, possible decommissioning of old equipment), as well as the ongoing use of equipment and hardware that is procured and installed under the project, a concise Environmental and Social Management Plan (ESMP) will be developed and included in the project Operational Manual, with relevant subsections also integrated into all corresponding bid documents for activities which may cause any such risks and impacts. The ESMP will also include a screening tool for site selection and planning for the non-intrusive scanning equipment to determine and mitigate any possible environmental and social impacts. In addition, for pre-selected locations, draft screening checklists have been completed and included in the draft Social Assessment for the project. The ESMP will be consistent with the WBG EHS Guidelines and is expected to cover, inter alia: OHS issues, waste disposal – including, in particular, e-waste management in the event that the procurement of IT hardware under the project results in decommissioning of old equipment; EHS requirements related to ongoing use of equipment, etc. In addition, the ESMP will specify that all project activities shall be carried out in compliance with Costa Rican environmental regulations, wherever applicable. The ESMP will be disclosed by the borrower no later than three months after the project’s effectiveness date and implemented throughout implementation.

The MoF has prepared a draft Social Assessment based on consultations with prioritized stakeholders to assess the potential social risks and impacts associated with the project. An advanced draft of the Social Assessment was disclosed before appraisal. The Borrower has also prepared a draft Stakeholder Engagement Plan (SEP) identifying
project stakeholders and outlining strategies for consultation and information disclosure, as well as describing a project-level Grievance Redress Mechanism (GRM). The draft SEP was also disclosed prior to appraisal. Results from preliminary consultations with IP leaders and representatives have also informed the preparation of an Indigenous Peoples Planning Framework (IPPF), which identifies broad potential risks and impacts, as well as potential mitigation measures, and provides guidelines for culturally appropriate consultations and will inform the preparation of an Indigenous Peoples Plan (IPP) during project implementation to further develop specific activities in a participatory way to ensure the inclusion of IPs as equal project beneficiaries. The IPPF will be disclosed prior to board approval, and the IPP will be disclosed during project implementation. In addition, the Borrower will also prepare Labor Management Procedures (LMP) no later than three months after the project’s effectiveness date, which will include OHS measures, outline how the project will manage different kinds of project workers, and describe a GRM accessible to project workers.

In 2018, the Government of Costa Rica passed a robust tax reform bill after wide-spread protests opposing the potential tax-burden increase. Even though the project will not finance activities related to changes in tax policy, it will support the strengthening of tax and customs administration in order to increase revenues and reduce compliance gaps. As an overall risk to the project, the social assessment process has identified the potential resistance or push-back to proposed project activities by taxpayers in general, given the project’s relationship with the Government’s tax reform plan, or by groups currently not in compliance with the tax code or who currently operate in informal markets.

During consultations carried out to date, the Borrower has also identified specific risks related to different stakeholder groups, such as SMEs, importers-exporters and auxiliary agents, MOF staff, and included mechanisms within the SEP for continuous consultations and strategies to incorporate consultation results during project implementation. The social assessment and stakeholder engagement process also assesses the potential for project-supported reforms to imply negative income impacts for poor, vulnerable, and indigenous households and businesses, as well as gaps in the current face-to-face tax services offered in field offices, from the perspective of gender, cultural relevance for indigenous communities, and gaps for other particularly poor or vulnerable groups, such as elderly and disabled taxpayers. The social assessment and SEP also identified government civil servants as important stakeholders given the project includes various activities aiming to reform and strengthen the human resources management within the MoF. To the extent that the project will imply the development and implementation of new HR and hiring procedures these processes will follow principles of equal opportunity, fair treatment and non-discrimination. The SEP underlines the need for an internally-oriented communications and participatory strategy, and a specific GRM for direct and indirect project workers will be included in the LMP.

The social assessment will undergo additional consultations during project implementation, as per the SEP, which will include, for indigenous groups, compliance with Costa Rica’s General Mechanism for Consultation with Indigenous Peoples (Executive Decree 40.932).

ESS10 Stakeholder Engagement and Information Disclosure

The Borrower has prepared and disclosed an advanced draft of the Stakeholder Engagement Plan (SEP). The SEP identifies, categorizes and analyses different stakeholder groups, presents a timeline and methods for consultations
throughout project implementation and lays out a strategy for continuous stakeholder engagement. The SEP also includes the project’s GRM, which will be incorporated within the MoF’s own institutional grievance and redress mechanism. During project preparation, the Borrower consulted prioritized stakeholders, including MoF public servants, importers-exporters, auxiliary agents, consumer associations, chamber of commerce, SMEs associations, national-level Indigenous Peoples representatives, among others.

Results from continuous stakeholder engagement processes and consultations will inform the design of behavioral change, external and internal communications and public education campaigns, as well as client-facing applications, improvements to face-to-face services in field offices, design and implementation of taxpayer surveys and other CE mechanisms. The PCU will carry out meaningful stakeholder engagement and consultations throughout the project life cycle, including consultations with indigenous peoples per the requirements of ESS7 and the national framework, paying particular attention to income impacts on poor and vulnerable groups and SMEs from activities aimed at increasing compliance with domestic taxes, and effectiveness of tailoring of campaigns, communication strategies, client-facing applications, face-to-face services and Citizen Engagement (CE) mechanisms to intended audiences (e.g. specific stakeholder groups, Indigenous Peoples, taxpayers with particular needs, such as those with sensory disabilities, etc.).

The SEP will be periodically reviewed by the borrower, to ensure its proper implementation, monitoring and evaluation.

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. The project will involve government civil servants as well as primary suppliers and contracted workers who will work in the project full-time or part-time. The project also includes various activities aiming to reform and strengthen the human resources management within the tax collection and borders system. Should minor civil works be required, the Occupational, Health and Safety (OHS) procedures will also apply and will be developed in line with the World Bank Group EHS Guidelines to ensure health and safety of workers. No major OHS hazards associated with the project activities are expected, but there could be minor risks related to handling of heavy loads, risks of electrical shock, etc. The LMP will be developed no later than three months after the project’s effectiveness date and implemented throughout Project implementation. Relevant national legislation on labor standards and other relevant requirements will be outlined, particularly for government civil servants. In case the project involves government civil servants, the LMP will include measures to protect the work force and OHS measures that meet the requirements of ESS2. Government civil servant unions in Costa Rica represent an important stakeholder group for the project, as identified by the SEP. These worker’s organizations will be respected and will be provided with information regarding the project in a timely manner. The LMP will be consolidated and disclosed during the initial stages of project implementation, it will also be included in the Operations Manual and updated as needed throughout the life of the project. The LMP will also include a dedicated grievance redress mechanism (GRM) separate from the Project level GRM, with budget and source of funding, to be provided to any direct and contracted
workers. This GRM will be easily accessible and will contain measures to protect such workers against any reprisal for its use. Full information on this GRM will be provided to all direct and contracted workers at the time of recruitment.

**ESS3 Resource Efficiency and Pollution Prevention and Management**

The standard is relevant. The project is not expected to result in any significant impacts related to pollution management or energy efficiency. However, the ESMP to be included in the project Operations Manual will address electronic waste (e-waste) management requirements, as well as specify the objective of maximizing energy efficiency wherever feasible in the design and procurement of systems and equipment. Should the project include specific activities to improve the Custom export and import procedures at borders, specific environmental measures will be included in the ESMP (OM) to address potential negative impacts related to handling, use and management of hazardous substances, as applicable, during operations.

**ESS4 Community Health and Safety**

This standard is not relevant. No direct or indirect impact on community health and safety, since the project does not involve any physical intervention.

**ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The standard is not currently relevant to the project. The proposed Project will not finance physical infrastructure and is not expected to cause physical displacement nor is the project expected to cause any restrictions of access to land or to natural resources. Any activity involving physical or economic displacement as defined in ESS5, including in relation to associated facilities, will not be eligible for project financing. No land purchase or involuntary land taking will be financed by the project.

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

The standard is not relevant since the project’s proposed activities are not expected to have any direct or indirect negative impact on the biodiversity or the sustainable management of living resources. All project activities will take place within existing customs and tax offices or facilities.

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

This standard is relevant given that 2.4 percent of the national population of Costa Rica is indigenous. While this represents a small proportion of the national population, the cantons with the highest poverty rates in the country are also those where most of the indigenous population lives. Additionally, historically lower employment and income opportunities among indigenous communities has translated into higher relative rates of self-employment, which may also imply higher rates of SME ownership.

During project preparation, the MoF held early participatory processes with Indigenous leaders to determine the applicability of ESS7 to the project and to assess the level of impact from project activities as well as opportunities for inclusion of Indigenous taxpayers, SMEs and IPs who participate in cross-border commercial activities. Some of the
risks identified in this consultation process include lack of information in indigenous communities about norms and regulations, including tax exemptions applicable to indigenous peoples and customs rules and procedures, as well as the risk of digital exclusion from strengthened e-government tools under the project. These encounters also served to identify the appropriate mechanisms for participatory and consultative processes with IPs. Possible risk mitigating measures identified in consultations and reflected in the IPPF include: (i) strengthening fiscal education programs for indigenous territories; (ii) a review of possible tax exemptions that could apply to economic sectors and activities present in IP territories; (iii) identifying and building capacity of indigenous customs auxiliary agents/agencies, and in case non are identified, promoting university customs education programs among IPs; (iv) capacity building and assistance to indigenous SMEs through inter institutional arrangements with Costa Rica’s PROCOMER to facilitate and promote exports, and; (v) working with the Ministry’s tax police to support community policing efforts in border areas where illegal traffic of legal and illegal products result in insecurity and unfair competition.

An Indigenous Peoples Planning Framework (IPPF) is being prepared by the Borrower and an advanced draft will be disclosed prior to board approval. The IPPF: i) describes the project’s risks, impacts, and opportunities identified through consultation with nationally representative indigenous organizations; ii) outlines potential activities to be further developed during project implementation based on the risk mitigation strategies identified during preliminary consultations described above; iii) provides guidelines for carrying out culturally appropriate consultations for the preparation of an IPP during project implementation with specific activities to minimize and mitigate any adverse impacts and enhance opportunities for inclusion; and iv) describes how the project-level GRM can be strengthened and adapted to include culturally appropriate mechanisms for IPs, such as language and possible customary dispute settlement mechanisms.

The IPPF will incorporate guidelines for culturally-appropriate consultations with IPs, as stated by the General Mechanism for Consultation with Indigenous Peoples (Executive Decree 40.932) for engagement of IPs during the life of the project. This will be the consultation mechanism used for the development of the project’s IPP during project implementation.

The preparation of the social assessment and the IPPF have followed a sequential approach whereby an advanced draft of the social assessment has been prepared and disclosed prior to appraisal and will further guide the development of the IPPF. An advanced draft of the IPPF will be prepared and disclosed prior to Board approval.

ESS8 Cultural Heritage
The standard is not expected to be relevant, as the only physical activities under the project – related to equipment installation - will take place within existing customs and tax offices or facilities, and would not impact or otherwise affect any cultural heritage resources.

ESS9 Financial Intermediaries
The standard is not relevant. FI’s are not part of this project.
### C. Legal Operational Policies that Apply

<table>
<thead>
<tr>
<th>Operational Policy</th>
<th>Applicable</th>
</tr>
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<tbody>
<tr>
<td>OP 7.50 Projects on International Waterways</td>
<td>No</td>
</tr>
<tr>
<td>OP 7.60 Projects in Disputed Areas</td>
<td>No</td>
</tr>
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</table>

### III. BORROWER'S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td><strong>ORGANIZATIONAL STRUCTURE</strong>&lt;br&gt;Establish and maintain an organizational structure with qualified and experienced staff and resources to support management of E&amp;S risks.</td>
<td>06/2020</td>
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<tr>
<td><strong>SOCIAL ASSESSMENT</strong>&lt;br&gt;Update the preliminary Social Assessment (SA) that has been prepared for the Project, in a manner acceptable to the Bank.</td>
<td>09/2020</td>
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<tr>
<td><strong>MANAGEMENT TOOLS AND INSTRUMENTS</strong>&lt;br&gt;Develop, disclose, adopt and implement an Environmental and Social Management Plan (ESMP) for the Project, in a manner acceptable to the Bank, which shall include, inter alia: occupational health and safety (OHS) measures; waste management requirements including for any e-waste; management measures for any works sites; protocols for equipment installations and other minor physical works; and EHS requirements related to ongoing use of equipment</td>
<td>09/2020</td>
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<tr>
<td><strong>MANAGEMENT TOOLS AND INSTRUMENTS</strong>&lt;br&gt;The ESMP, LMP as well as any additional social risk management requirements resulting from the SA and the SEP will be integrated into the Project’s Operational Manual (OM).</td>
<td>09/2020</td>
</tr>
<tr>
<td><strong>MANAGEMENT OF CONTRACTORS</strong>&lt;br&gt;Incorporate the relevant aspects of the ESCP, including the relevant E&amp;S provisions of the ESMP and the Labor Management Procedures into the ESHS specifications of all applicable procurement documents. Thereafter ensure that contractors comply with the ESHS specifications of their respective contracts.</td>
<td>09/2020</td>
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**ESS 10 Stakeholder Engagement and Information Disclosure**
<table>
<thead>
<tr>
<th>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</th>
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<tbody>
<tr>
<td>Update, disclose, consult, adopt, and implement the Project’s Stakeholder Engagement Plan (SEP), in a manner acceptable to the Bank.</td>
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<thead>
<tr>
<th>PROJECT GRIEVANCE MECHANISM</th>
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<tr>
<td>Maintain and operate a Project grievance mechanism, as described in the SEP.</td>
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<tr>
<th>ESS 2 Labor and Working Conditions</th>
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<tbody>
<tr>
<td>LABOR MANAGEMENT PROCEDURES</td>
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<tr>
<td>a) Develop, adopt, and implement Labor Management Procedures (LMP) in a manner acceptable to the Bank and in accordance with ESS2. The LMP shall also be integrated as an annex to the OM.</td>
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<tr>
<td>b) MOF shall ensure that bidding documents for any goods, works and/or consultancy contracts include appropriate clauses to ensure that working conditions, worker safety and worker rights are in line with the LMP ESS2 requirements.</td>
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<tr>
<th>GRIEVANCE MECHANISM FOR PROJECT WORKERS</th>
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<tr>
<td>Establish, maintain, and operate a grievance mechanism for Project workers, covering both direct as well as contracted workers, as further described in the LMP.</td>
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<tr>
<th>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</th>
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<tr>
<td>Include appropriate OHS related measures in the project ESMP and ensure their implementation.</td>
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<tr>
<th>ESS 3 Resource Efficiency and Pollution Prevention and Management</th>
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<tr>
<td>E-WASTE MANAGEMENT</td>
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<tr>
<td>Develop and implement measures to manage E Waste as part of the project ESMP. Ensure their incorporation into relevant procurement documents and ensure implementation by contractors.</td>
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<tr>
<th>RESOURCE EFFICIENCY &amp; POLLUTION PREVENTION &amp; MANAGEMENT</th>
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<tr>
<td>High fuel efficiency standards to be included in the Project’s ESMP and pursued for any Project vehicles procured.</td>
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| ESMP to include specific environmental measures (and training and capacity building requirements for their implementation) to address potential negative impacts of handling, use and management of hazardous substances, as applicable, during operation | 09/2020 |

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<th>ESS 4 Community Health and Safety</th>
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<th>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</th>
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</table>
ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

INDIGENOUS PEOPLES PLANNING FRAMEWORK
Update, disclose, adopt, and implement an Indigenous Peoples Planning Framework (IPPF) in accordance with ESS7, in a manner acceptable to the Bank.

09/2020

INDIGENOUS PEOPLES PLAN
Prepare, consult, disclose, adopt, and implement an Indigenous Peoples Plan (IPP) in accordance with the IPPF prepared for the Project and ESS7, and in a manner acceptable to the Bank.

05/2021

GRIEVANCE MECHANISM
Implement the adapted Project-level GRM described under the IPPF and the SEP.

06/2020

ESS 8 Cultural Heritage

ESS 9 Financial Intermediaries

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? 

No

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

None. Costa Rica has generally robust environmental laws and regulations. To the extent to which they are applicable to any of the proposed activities under the project, they will be followed; however, the project does not propose to rely on these systems for ESF compliance.

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Republic of Costa Rica

Implementing Agency(ies)
Implementing Agency: Ministry of Finance

V. FOR MORE INFORMATION CONTACT

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Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s): Mayra Del Carmen Alfaro De Moran, Ruxandra Burdescu

Practice Manager (ENR/Social) Maria Gonzalez de Asis Cleared on 19-Feb-2020 at 19:56:50 EST