Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 06/09/2020 | Report No: ESRSA00898
### 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>Guatemala</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P173480</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Responding to COVID-19: Modern and Resilient Agri-food Value Chains</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Food</td>
<td>Investment Project Funding</td>
<td>6/9/2020</td>
<td>8/20/2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance Guatemala (MINFIN)</td>
<td>Ministry of Economy Guatemala (MINECO)</td>
</tr>
</tbody>
</table>

#### Proposed Development Objective(s)

The PDO is to contribute to reducing food losses, increasing adoption of climate resilient technologies and providing emergency response to COVID-19 to beneficiaries in select value chains.

#### Financing (in USD Million)

| Total Project Cost | 211.00 |

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

Yes

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

The proposed project is an Investment Project Financing (IPF) for US$150 million of IBRD, US$50 million of counterpart financing from private institutions, and an expected co-financing of US$11 million of IFAD credit. The total project cost is estimated to be US$211 million and be implemented over a period of five years.

Investment in primary production and post-harvest activities in key value-chains with agro-industrial potential will contribute to an efficient and resilient agri-food industry, playing a critical role in helping the government deliver on its job creation, inclusion and sustainable growth objectives, while strengthening the economic foundation for...
recovering from the impacts of the COVID-19 pandemic. Increasing efficiency will reduce food losses and improve quality, improving returns to farmers and other food system actors and enhancing delivery of nutrition outcomes. Increasing beneficiary resilience will contribute to reducing adverse impacts on incomes, nutrition, employment, and other aspects of the rural economy in the face of future shocks and crises due to climate change, pandemics, and other unforeseen events. The project will contribute to improved efficiency and resilience through supporting adoption of on-farm technologies to a) extend the shelf life of food production, which increases market access and the bargaining power of producers and small agro-industrial enterprises, also fostering their growth potential; and b) diversify year-round the population’s diet at affordable prices, with favorable impacts on nutrition. Overall, the proposed activities will contribute to improving the efficiency of key value-chains while investing in on-farm technologies to help beneficiaries in key VCs increase resilience.

D. Environmental and Social Overview
D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]
The project will be implemented nationally to provide technical assistance and finance consultancies, capacity building, goods and works. Primary production and post-harvest investments to reduce losses and improve resilience as well as investments in Sanitary and Phytosanitary (SPS) and Traceability Systems for food-safety, will focus on value chains (VC) prioritized by the Government of Guatemala’s (GoG) Ministry of Economy (MINECO) based on agro-industrial and development potential. At project preparation, prioritized VC are vegetables, papaya, cardamom, potatoes and beans, primarily located in the departments of Sacatepéquez, Chimaltenango, Suchitepequez, Sololá, Alta Verapaz, Baja Verapaz, Huehuetenango, Quiché, San Marcos, Petén and Izabal.

In Guatemala, almost 44% of the population identify themselves as indigenous or afro descendent, among which 41.7% are Maya and 1.8% indigenous Xinka. All the 22 departments of Guatemala have some presence of indigenous peoples; in 14 of which they account for more than 25% of the population. In Chimaltenango, Sololá, Alta Verapaz, Totonicapán and Quiché, the percentage of Maya population raises up to constitute more than 75% of total population. Other IPs and afro descendants’ groups comprise less than 1% of the population in all departments under consideration. The elevated incidence of IPs in the areas of intervention will require specific measures and affirmative actions to facilitate their participation and access to project’s benefits.

Guatemala has high levels of illiteracy, particularly in IP territories, and amongst indigenous monolingual women. Alta Verapaz and Quiché have only 66% and 64% of literate people, respectively. Poverty rates have increased from 55% in 2000 to 60% in 2014 and it is particularly marked amongst IPs, with almost 80% living in poverty and half in extreme poverty. Guatemala has the fourth highest rate of malnutrition in the world and the highest in LAC, being especially acute in IP and rural areas. These structural obstacles coupled with the historic discrimination that IPs face, can hinder their ability to apply for project’s support and access its benefits on an equal footing; it also calls for communication strategies and stakeholder engagement that address these impediments and facilitate effective participation.

The Guatemalan context is also characterized by high levels of crime and violence. While the number of homicides was significantly reduced in the last 10 years from 6,498 per year in 2009 to 3,884 in 2018, it remains high. Five of the departments considered are among the ten with the highest percentages of homicides per year. The overlap with areas of high incidence of crime and violence, may pose additional challenges to ensure provision of technical
assistance and investment support as well as monitoring of project activities. The impact of violence on project implementation will be further assessed in the months immediately following effectiveness.

According to the Long-Term Climate Risk Index (2017), Guatemala is the ninth country most at risk worldwide from climate change and where weather events, including floods and droughts, have had significant negative human and economic consequences. Reduced rainfall and higher temperatures are expected to reduce surface water flows by 10 to 50% by 2030 and total water availability by 5 to 30% by 2050. In terms of GHG emissions, Guatemala emitted 3.4 tCO2e/capita in 2011, considerably lower than the average per capita emissions of the Latin American and Caribbean region (7 tCO2e / capita) and contributing only 0.08% to global GHG emissions. Agriculture is one of the strategic sectors in Guatemala’s climate change mitigation goal. According to the principle of common but differentiated responsibilities and current capabilities, Guatemala plans to achieve an 11.2% reduction in its GHG emissions totals for the base year 2005 projected to the year 2030. Moreover, Guatemala’s conditioned contribution proposes a reduction of up to 22.6% of its total GHG emissions from the base year 2005 projected to the year 2030. This conditioned contribution implies that emissions, in a trend scenario (BAU) of 53.85 million tons of CO2 equivalent (tCO2e) by 2030, would be reduced to a value of 41.66 million tCO2e in that year. In the context of Guatemala’s conditional commitments in its Nationally Determined Contributions (NDC), the project represents a relevant contribution to the country’s fulfillment of the Paris Agreement. In adaptation, the nationally determined contribution prioritizes actions in the agricultural and food security sector focusing on (i) disaster risk management linked to extreme weather events and (ii) providing agricultural producers with good adaptation practices, tools and technologies that promote the adjustment of agro-productive systems against climate change and variability. Overall, the net reduction of GHG emissions is a relevant climate co-benefit that would result from the project deriving primarily from the expected reduction of Food Loss and Waste (FLW).

D. 2. Borrower’s Institutional Capacity

The project will be implemented by the Ministry of Economy (MINECO) that is in charge of formulating and executing consumer protection and competition promotion policies as well as negotiating bilateral and multilateral trade agreements. MINECO will implement the project through its Vice Ministry of Investment and Competition and within it, primarily the National Competitiveness Program (PRONACOM) program and the National Statistics Institute (INE). The Ministry of Agriculture, Livestock and Food (MAGA), with comparatively weaker capacity but still an important role in the sector, will be involved in the implementation of selected project activities, in coordination with MINECO. The Project Implementation Unit (PIU) will be located within the Vice Ministry of Investment and Competition of MINECO.

MINECO has previous experience working with the World Bank (WB). MINECO implemented the WB-financed Rural Economic Development Program (PDER, P094321) which closed in November 2014. The project included the preparation of an Environmental Management Framework in accordance with the requirements of OP 4.01 Environmental Assessment. Social safeguards policies OP 4.10 Indigenous Peoples and OP 4.12 on Involuntary Resettlement were also triggered, although no resettlement resulted from project implementation. Under PDER, MINECO was in charge of improving competitiveness of supply chains with strong indigenous participation. It consistently achieved its project targets or was close to achieving them. Moreover, when the GoG closed FONAPAZ (a governmental institution that was in charge of PDER’s infrastructure construction, e.g. bridges), following underperformance and accusations of corruption, MINECO took over its responsibilities and was able to complete pending civil works. However, despite multiple requests from the WB on the need to supervise environmental aspects of the project, an environmental specialist was only hired by MINECO one year prior to the end of the project. Lessons learned from the PDER project point to the need of keeping project design simple and with proven
implementation arrangements to facilitate the achievement of results in the context of weak implementation capacity. MINECO also implemented the “Enhancing MSME productivity” project (P112011) between 2013 and 2016 aimed at improving productivity of micro, small and medium enterprises. Although it was not an agriculture project, it also provides lessons learned on the importance of building the environmental and social capacity of the PIU.

Due to recent staff changes at MINECO, it is highly likely that staff to be involved in the project have neither participated in the implementation of PDER nor have received any training on the WB’s Environmental and Social Framework (ESF). The two exceptions are the procurement and financial management specialists of PRONACOM. While there is a Unit on Gender, Indigenous Peoples and Persons with Disabilities directly in the Minister’s office in the new Ministry’s structure (October 2019), there is neither an area specialized in environmental and social issues nor specialists within the Vice Ministry of Investment and Competition. Within 30 days of effectiveness, at least, 3 dedicated specialists will be hired as key staff of the PIU: environmental, social (with knowledge and experience working with Indigenous peoples) and gender specialists. Additional staff may be hired to provide support in the areas of labor, community health and safety, indigenous peoples as well as environmental and social standards’ implementation and monitoring, including training and capacity building, at the subproject level.

Finally, the guarantee fund to be supported under component 1, sits at BANTRAB. Approximately 95% of its portfolio is currently comprised by workers, with very limited experience providing services to agricultural producers. It has no experience monitoring environmental and social issues of its portfolio. BANTRAB will be required to develop an Environmental and Social Management System, appoint a representative and develop the institutional capacity to apply, monitor and report E&S standards of the guaranteed portion of the portfolio.

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

A. Environmental and Social Risk Classification (ESRC)  

Environmental Risk Rating  

Substantial  

Moderate

The Project’s objective is to contribute to improved food system efficiency and increased beneficiary resiliency in select value chains. Through investments in primary production and post-harvest activities, the project will contribute to a modern and resilient agri-food industry and play a key role in supporting the GoG deliver on its job creation, inclusion and sustainable growth objectives, whilst strengthening the economic foundation for recovering from the impacts of the Covid-19 pandemic. The project is expected to generate important environmental, economic and social benefits.

Positive project impacts are expected to include reductions in post-harvest food losses and food waste, which in turn are likely to reduce GHG emissions and promote greater resource efficiency. The development of climate-smart VCs characterized by improved harvesting and processing practices is expected to promote improved food safety and security for selected VCs contributing to a more efficient, safer, profitable, modern and resilient food system. Project design will consider the use of renewable energy as well as energy and resource efficient technologies for project financed infrastructure and equipment.
The environmental risk rating is assessed to be MODERATE. The expected negative impacts are anticipated to be i) predictable, temporary or easily mitigated, ii) low in magnitude and site-specific, and iii) occurring in already-intervened areas and within already established footprints. Potential impacts are related to activities aimed at improving production on-farm (including the installation of greenhouses, hail nets and micro irrigation systems) and the rehabilitation or construction of on-farm/on-site infrastructure and investments. These shall include impacts associated with post-harvest technology and logistics facilities such as cold-storage rooms for vegetable preservation, on-farm vegetable and fruit cleaning and processing equipment, as well as improvements to existing regional open/wet markets and laboratories and associated refrigerated vehicle transport for value chains.

Construction related environmental impacts and risks may include those associated with minor on-site vegetation clearing, minor earthworks, altered local rainwater drainage patterns, construction health and safety impacts, and impacts related to the handling of waste. Impacts associated with processing of agricultural produce may include those associated with handling and disposal of chemicals in onsite laboratories, water use and waste water treatment, air emissions from cold storage and processing facilities and waste handling and disposal. Community safety impacts may arise due to changes to existing traffic patterns to include larger heavy or refrigerated vehicles. Additional impacts related to the management of construction and operations phase solid and liquid waste streams, including laboratory waste, health and safety of workers, and vehicle and road safety associated with transport systems will be assessed in detailed during the Environmental and Social Management Framework (ESMF).

Furthermore, the project’s ESMF and Operations Manual (OM) will include a negative list of equipment, goods and services to exclude those that may result in substantial negative environmental and/or social impacts, including for the CERC component.

**Social Risk Rating**

The project will directly benefit over 25,000 agri food entrepreneurs with approximately 600 subprojects in the prioritized VCs, to enhance post-harvest practices and primary production; support to entrepreneurs through a challenge fund; and, direct support to micro, small and medium agri-enterprises (MSME) and producer organizations through the Emergency Response Component (ERC). Investments through subprojects will be undertaken under nutrition sensitive and gender transformative approaches, facilitating the participation and inclusion of women, youth and indigenous peoples through selection criteria set out in the Project OM. These investments are expected to have a positive impact on malnutrition rates, particularly amongst indigenous and rural areas. The ERC will inject funds to reactivate MSMEs and create job incentives through scholarships and a labor matching service.

Social risk is SUBSTANTIAL particularly driven by contextual factors and borrower’s capacity: (i) the challenges of implementing projects with multiple and diverse indigenous groups dispersed nationally; (ii) potential implementation of subprojects in remote and difficult to access areas; (iii) use of a guarantee scheme that triggers participation of financial intermediaries with no previous experience working with the WB; and, (iv) no existing institutional capacity in MINECO to develop and monitor social instruments and no previous experience with the new areas covered by ESF.

The project does not envision large infrastructure works or intervention in any highly sensitive areas. Under component 2, activities are expected to be temporary, predictable and medium in magnitude and spatial extent, mainly in the prioritized 11 departments. They will entail site-specific improvements or construction based on pre-approved business plans meeting specific criteria and complying with the positive/negative list that will be part of the
POM (e.g. investments that require land acquisition). Constructions will be on farm or site, without impacts beyond the actual footprint.

However, among beneficiaries/affected people, there will be an important percentage of IPs, that varies in each department but can be up to 98%. Working with IPs, as well as with all beneficiaries, affected parties and other stakeholders requires meaningful consultations, but also other measures addressed under ESS7 (e.g. sociocultural adaptations of grievances mechanisms, elaboration of Indigenous Peoples Plans), which poses challenges for adequate implementation, including the direct involvement of social specialists who speak indigenous languages. It also calls for adjustments to the communications strategy and stakeholder engagement to ensure that they are culturally appropriate and that they respond to their circumstances. The risk of IP exclusion needs to be mitigated through selection criteria fostering their participation in and access to project’s benefits. While MINECO has previous experience with indigenous participation, they need to build their capacity to effectively apply affirmative actions for IPs.

Areas of intervention may be remote and difficult to access due to inadequate and limited infrastructure, particularly during the rainy season creating challenges for providing technical support and effective monitoring. Some regions may also overlap with high crime and violence areas (e.g. Petén and Izabal). This risk will be further assessed during preparation of the ESMF and site-specific ESMPs.

The use of Financial Intermediaries (FI) without experience working with WB’s standards or their own ESMS creates challenges to monitoring E&S standards’ compliance. BANTRAB, where the Guarantee Fund sits, will have to develop an ESMS, and secondary FI will be required to abide by this ESMS and national laws. The understanding, adoption and implementation of E&S standards within a short timeframe will require substantial support from MINECO and the WB.

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:

This standard is relevant. To help create access to markets and build resilience in the agri-food system against the backdrop of the current health emergency, the Project proposes to make investments that contribute to strengthening productive and post-harvest capacity, and to promoting food safety, food quality, and sustainability considerations.

The project includes a subcomponent of US$11 million financed by IFAD to provide on-farm, pre-harvest investments for primary agricultural production. This subcomponent will leverage the same PIU. Given that the ESF is more comprehensive, IFAD has agreed to apply the ESF to it. IFAD was involved and actively engaged in the consultation and development of E&S instruments during project preparation and will remain involved during implementation.

Given that the exact scope and location of subprojects will be defined only during project implementation, based on demand and subject to the specific eligibility criteria to be described in the OM, the project has adopted a framework approach to environmental and social management. The framework approach and phased preparation of E&S
instruments is also required to accommodate project preparation with condensed procedures under paragraph 12 of the IPF policy in response to the Covid-19 pandemic. As such, an Environmental and Social Management Framework (ESMF) will be developed within 90 days of effectiveness and shall include:

(i) description of baseline social and environmental conditions, identifying potential contextual environmental and social risks and underlying issues (e.g. social conflict, crime & violence);
(ii) identification of applicable national legislation;
(iii) identification of overall potential direct and indirect environmental and social risks and impacts from proposed investments, based on the typology of activities to be financed;
(iv) generic management and mitigation measures to potential environmental and social impacts associated with these types of investments;
(v) Procedures to assess subprojects at site-specific level to identify E&S risks and impacts, and determine the type of site-specific E&S management instruments to be developed (e.g. Environmental and Social Management Plans – ESMPs, Indigenous Peoples Plans - IPP);
(vi) screening checklists for eligibility (specifically as it relates to disputed lands/land acquisition, impacts to critical habitats, IPs, amongst others.)
(vii) lists of equipment, goods, services and other activities (e.g. land taking) to be excluded for financing under the project, including for the CERC component; and,
(viii) general guidelines on security risk consideration in project monitoring as well as community health and safety provisions to be included in subprojects.
(ix) Implementation, monitoring and reporting arrangements, capacity building measures, and budget for E&S management.

Based on the stakeholder mapping included in the draft SEP and the feedback received in the initial consultations undertaken during preparation, a process of relevant and meaningful consultations will take place as part of the development of the ESMF, to integrate stakeholders’ concerns and expectations into the analysis of potential risks and impacts as well as the proposed management measures. Consultations will be adapted to the GoG measures, policies and guidelines in response to the COVID-19 pandemic and will be in line with the WB’s Technical Note: “Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, March 20, 2020.”, avoiding in-person gatherings, diversifying means of communication and relying more on social media and online channels as well as traditional channels of communications (TV, newspaper, radio, dedicated phone-lines, public announcements and mail) when stakeholders do not have access to online channels or do not use them frequently.

Stakeholders’ feedback will feed into the ESMF that will be developed, consulted and disclosed both in country and on the WB’s website within 90 days of effectiveness as well through other communication means deemed necessary, considering the challenges and needs of stakeholders (e.g. IPs and other vulnerable groups). The ESMF will be effectively functioning in a manner satisfactory to the WB, prior to disbursing/initiating any activities to be managed in accordance with this instrument.

During implementation, as business plans and subsequent subprojects are developed detailing site specific investments, MINECO will implement the ESMF by carrying out E&S assessments, commensurate with the risk and impacts of those subprojects and developing ESMPs, spanning all relevant environmental, social, health and safety (ESHS) issues as applicable, including Indigenous Peoples Plans (IPPs) when applicable. These processes will be done
in accordance with the project’s ESMF, with additional guidance from the Indigenous Peoples Planning Framework (IPPF) where applicable, as discussed under ESS7.

The project includes a Contingency Emergency Response Component (CERC). The applicable environmental and social requirements will be detailed in the project’s CERC manual.

The Environmental and Social Commitment Plan (ESCP) includes the measures that the project will need to address during implementation to comply with the ESF, including monitoring and reporting arrangements. The draft ESCP will be disclosed in country and in the WB’s external website prior to appraisal.

To implement and monitor E&S standards, the Project will have an implementation unit. Within 30 days of effectiveness, at least, 3 dedicated specialists will be hired as key staff of the PIU: environmental, social (with knowledge and experience working with Indigenous peoples) and gender specialists. Additional staff may be hired to provide support in the areas of labor, community health and safety, indigenous peoples as well as environmental and social standards’ implementation and monitoring, including training and capacity building, at the subproject level.

ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant. The key beneficiaries are expected to include agri-businesses, formal groups, associations, producer organizations, cooperatives, individual entrepreneurs and regional markets as well as small rural enterprises and smallholder farmers, as prioritized in the Government’s COVID-19 response. The project will encourage participation of women, rural youth and indigenous peoples (IP). MINED, MAGA and INE will also be direct beneficiaries. Other stakeholders include intermediaries, agro-processors, aggregators, wholesalers, exporters, traders and other companies providing strategic products/services. The stakeholder mapping also considered mancomunidades (associations of several municipalities), municipal authorities, IP organizations, academia, financial institutions and other international organizations working on agriculture in Guatemala.

MINECO has developed an advanced draft of the Stakeholder Engagement Plan (SEP) that maps out the stakeholders, describes the consultation process and determines when and how to engage with them during implementation. The SEP outlines (i) who the potential key stakeholders are; (ii) their interest and influence over the project; (iii) key milestones to share information and most effective channels; (iv) affirmative actions to facilitate the participation of vulnerable stakeholders: women, rural youth and IP; (v) proposals to encourage participation of stakeholders; (vi) who will be responsible for the SEP; (vii) cost; and (viii) project-level Grievance Redress Mechanism (GRM). It incorporates IP specific actions to ensure culturally appropriate and ESS7-consistent information sharing and engagement. These guidelines and information on stakeholder engagement will be updated in the final SEP.

The description of the project-level GRM in the draft SEP includes: (i) scope and objective; (ii) types of grievances; (iii) channels to submit grievances; (iv) functioning and levels of decision-making; (v) suggested response times; (vi) flowchart; (vii) registration of grievances; (viii) GRM socialization; and (ix) GRM monitoring and reporting. Based on the results of the consultations with IPs, it also includes socio-cultural adaptation measures that will be updated in the final SEP.
During project preparation, MINECO carried out initial consultations and engagement with potential beneficiaries and affected groups, other interested parties as well as disadvantaged groups, about the overall project design, potential environmental and social risks and impacts, mitigation measures, engagement plan and GRM. Due to the COVID-19 pandemic, the consultation process was adapted to comply with GoG’s measures and guidelines, including curfew and strict mobility restrictions as well as WB’s Technical Note, avoiding in-person gatherings, employing diversified means of communication and relying more on social media and online channels as well as traditional channels of communications. Stakeholder mapping included an assessment of internet access and use of virtual tools to determine the most effective channels. Consultations took place from May 18th through 22nd, 2020 using: (i) focus groups through Video calls; (ii) WhatsApp; (iii) emails; and (iv) telephone calls. Before each meeting or call, stakeholders received a concise power point presentation with key project information, including scope, activities, timeline, and prioritized VCs as well as SEP guidelines and information on the GRM. A template with questions was shared with stakeholders and served as the basis for the discussion through oral channels. A total of 43 individuals participated in the consultation, 13 of which partook in discussions through videocalls. Seven mancomunidades provided their feedback through WhatsApp and phone, representing up to 115 municipalities and out of 14 producer organizations, 8 self-identified as women organizations. A total of 6 IP organizations responded to the survey through WhatsApp and provided further details during follow-up telephone conversations. The results of the consultations are documented in the draft SEP and integrated into the design of the project.

The draft SEP will be disclosed online by MINECO and the WB prior to appraisal, and will be shared with participating stakeholders through their preferred channels. The project-level GRM included in the draft SEP will be available from the start and may be further upgraded according to the final SEP. MINECO will update and finalize the SEP, including the GRM, within 90 days of effectiveness.

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 the project shall include (i) direct workers, such as MINECO staff, consultants and supervising consultants hired to work on the project, and FI staff; and, (ii) contracted workers hired to work on subprojects. Community workers or primary suppliers are not expected to be involved in the project.

Occupational health and safety hazards associated with civil works under the project may include i) traffic related accidents and incidents due to transport of personnel and materials to and from work sites; ii) damage or injuries resulting from demolition and construction works; iii) falls from heights during demolition and construction activities; iv) falls into excavation sites or collapsing trenches; v) electrocution; vi) failure to use adequate personal protective equipment; vii) slips, trips and falls; viii) material and manual handling; ix) potential exposure to asbestos and lead during refurbishment and demolition works; and (x) exposure to COVID-19 which could spread the disease amongst workers and in the communities of intervention. During the operations phase, impacts may arise from occupational exposure during handling and disposal of chemicals in onsite laboratories and waste handling if appropriate personal protective equipment and safe working procedures aren’t implemented. Where required, contractors shall develop project specific Health and Safety plans appropriate for each work site and processing facility in accordance with the
guidance outlined in the ESMF and Labor Management Procedures (LMP). Security risks associated with project activities will be assessed as part of the ESMF and adequate mitigation measures shall be included, as needed.

MINECO will develop Labor Management Procedures (LMP) based on national labor laws and ESS2, identifying and describing the types of workers likely to be involved in the project and setting out the manner and terms in which they will be contracted and managed. The LMP will provide an overview of the Occupational Health and Safety (OHS) risks, including the risks posed by COVID-19, and key management measures. OHS measures will also be identified at the site-specific level and incorporated into subproject ESMPs for contractors in line with the Bank’s Environmental, Health and Safety (EHS) Guidelines. OHS training shall be provided to workers, incidents will be reported and investigated, and corrective measures implemented to prevent recurrence. The LMP will describe how MINECO will monitor the health, working conditions and hours of work as per the requirements of ESS2. MINECO will require contractors to develop and implement workers’ code of conduct which shall include provisions to manage risks posed by Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) and will monitor prevention and response measures. The LMP will include a dedicated GRM accessible to project workers, separate from the project-level GRM.

The ESMF and LMP will assess the potential for child and forced farm labor so that relevant preventative, mitigation, monitoring and remedial measures will be included. Within indigenous territories, the risk of child labor must be managed in a culturally appropriate way. However, the project will not support any form of child labor that is dangerous or harmful to children under the age of 18 or which might compromise their ability to attend school. For children between the ages of 14 and 18 allowed to work according to national laws, the stipulations of paragraphs 18 & 19 of ESS2 shall be adhered to. No child labor for children below the age of 14, nor forced labor, will be permitted under the project.

The LMP will be developed and disclosed within 90 days of project effectiveness and will be updated as needed during implementation as information on subprojects become available.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. In line with the PDO to increase project beneficiaries’ resilience to climate change impacts, the expected reduction in post-harvest food losses and waste will contribute to reductions in inefficient resource use and associated reductions in GHG emissions, contributing to climate co-benefits and adaptation of these VCs, whilst promoting improved food safety and security. The potential to enhance the project’s positive E&S impacts will be considered in the selection criteria for project design to ensure that the siting and construction of project infrastructure (including storage facilities and markets) reduces exposure and susceptibility of commodities in the selected VCs to extreme weather conditions.

Project design will consider the use of renewable energy as well as energy and resource efficient technologies for project financed infrastructure and equipment. These shall be incorporated into building design and will include measures such as efficient lighting and cooling where relevant, and efficient water use. Under Components 2 and 3, primary production and post-harvest processing activities, as well as upgrades to regional markets, will require water input. Project design will promote sustainable water harvesting and water use that does not result in reduced availability for downstream users and which does not affect ecological flows. Project water requirements are not
expected to be material and, together with potential water sources and likely water use impacts will be assessed in the ESMF with mitigation measures detailed in project specific ESMPs. No broad water basin assessment is necessary.

Waste management practices will aim to avoid, reduce, reuse or dispose of waste materials in a manner that is safe for human health and the environment. The ESMF will include guidelines for the development of site-specific Waste Management Plans during construction (including demolition and refurbishment) of infrastructure. Specific measures will aim to ensure there is no soil, water and/or air contamination from handling and disposal of construction waste, including hazardous materials such as asbestos and lead paint. For the operations phase, site specific waste management plans shall be developed to ensure processing facilities, markets and laboratories adequately manage their waste streams in line with the requirements of this standard. The potential for existing environmental liabilities, including asbestos or lead in infrastructure to be refurbished by the project, will be assessed at site level in the detailed site planning process as will be described in the ESMF. Where potential liabilities are identified, these shall be assessed and where necessary, site-specific remedial plans developed and executed. These requirements will be outlined in the ESMF and measures detailed in subproject ESMPs.

Based on available information, agrochemicals are not expected to be procured by or used in the project as part of primary production activities. The ESMF will evaluate the potential for project activities to result in agrochemical use and related environmental and health risks and include guidance on the development of project-specific Integrated Pest Management Plans (IPMP) for subprojects where required, including capacity building of beneficiary producers. In addition, measures will be defined to prevent and mitigate against potential adverse health impacts on project beneficiaries and adjacent communities.

The project is expected to generate climate adaptation co-benefits through investments and capacity building in climate smart agriculture techniques and practices (such as drought resistant crops, improved seeds and soil nutrition) and climate resilient infrastructure (such as enhanced VCs storage capacity and irrigation systems) which, as a whole, will allow producers to reduce losses in their production due to the effects of extreme weather events. In addition, project activities and technologies are not expected to be significant sources of GHG emissions. Instead, they are expected to contribute to Guatemala’s reduction in GHG emissions from the selected VCs by reducing food loss and waste as well as leading to additional climate change mitigation co-benefits and adaptation through increased efficiency in the use of inputs. Emissions from cold-storage and refrigerated truck fleets were assessed during project preparation as part of a comprehensive GHG assessment, using the Ex-Ante Carbon-balance Tool – Ex-Act (developed by the FAO). Specific opportunities for adaptation and mitigation commitments will be assessed during implementation in a project-level Climate Vulnerability Assessment as per requirements detailed in the ESMF. The requirements for subproject climate risk assessments and guidance on the definition of mitigation and adaptation measures for relevant subprojects shall also be defined in the ESMF.

ESS4 Community Health and Safety

This standard is relevant. In line with the PDO, project activities are expected to decrease community exposure to E&S risks and impacts, as the project will improve fruit and vegetable handling practices, including SPS that promote improved food quality and food safety, decrease food loss waste, and contribute to increased resilience to climate variability and change.
Risks to community health and safety in the immediate vicinity of project sites may include those related to unsafe construction works and work practices, changed road traffic patterns during construction and risks related to increased volume of transport vehicles involved in VC during the operational phase. Potential risks will be assessed in the ESMF which will outline processes for detailed subproject screening and the definition of generic measures to safeguard community health and safety during project implementation.

Where relevant, physical infrastructure such as markets will consider universal access, including for persons with disabilities. Given that the project areas are vulnerable to climate change impacts and natural disaster risks, including seismic activity, droughts and storms, the ESMF will include measures to address potential natural disasters that may endanger the health and safety of the community to ensure that infrastructure is designed and built to be climate resilient, reducing the community’s vulnerability to natural disasters.

Given that some regions of intervention may also overlap with high crime and violence areas (e.g. Petén and Izabal), the ESMF will provide a description of baseline social and environmental conditions, including crime and violence high risk areas as well as general guidelines to assess security considerations at subproject level. Site-specific ESMPs will include an assessment of the security risk at subproject level and associated mitigation measures, including the use of private security personnel when applicable. Prior to the deployment of private security personnel, appropriate mitigation measures shall be defined and subsequently implemented during the execution of the subproject.

Based on the information available at concept stage, Gender Based Violence (GBV) risks were screened for the project and determined to be low. A GBV capacity assessment will be undertaken once the PIU is formed and GBV training and capacity building will be undertaken, as needed. Mapping of institutions in charge of GBV prevention and response will be included in E&S assessments at subproject level, complemented by GBV training for key stakeholders. Contractors will be required to develop and adopt a workers’ code of conduct.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
Given the information available at concept stage, this standard is not relevant. The Project is not expected to cause physical displacement or any restrictions of access to land or natural resources. It will not finance investments that require land acquisition or result in involuntary land taking and resettlement.

Primary production, post-harvest physical investments and those in sanitary and phytosanitary (SPS) traceability and information systems under component 2 will be on farm or on site (in the case of local markets). Potential post-harvest investments may include on-farm cold-storage facilities for perishables, on farm vegetable and fruits washing/cleaning equipment and technologies, equipment for drying of fruits and vegetables, refrigerated vehicles for better transport or investment in on-farm canning facilities, among others. These investments will be identified through a demand-driven mechanism, whereby eligible agribusinesses engaged in the priority VCs submit business plans. The eligibility/exclusion criteria for subprojects, included in the ESMF, will require ownership of the land in which improvements will be financed. An exclusion list in the ESMF will ensure that any infrastructure or works will be screened for property titles and that disputed lands will not be allowed. To avoid exclusion of indigenous
producers who don’t have land titles, the project will allow producers to demonstrate the right to use communal lands through support expressed by their governance structures and thus, providing proof of communal or individual ownership of land. The exclusion list will also apply to investments supported by FIs, under component 1 or any other activity where FI are involved.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
This standard is relevant. Whereas the specific locations of project activities are still to be determined, the proposed project activities and investments are planned to occur within established footprints and on sites which are already intervened and where there is existing infrastructure. Project activities are therefore not expected to have a substantial effect on biodiversity or natural resources. Nonetheless, given that specific site locations are not yet known, the ESMF will identify protected areas and other valuable biodiversity areas and landscapes throughout Guatemala and add interventions that would adversely affect these areas to the negative list. The negative list will also include activities that could incentivize land use changes that could put pressure on, or directly threaten natural habitats. The ESMF will provide generic guidance on measures to avoid, minimize or mitigate potential impacts on biodiversity and on the sustainability of living natural resources. Screening processes will be developed to prevent siting of facilities in or near natural or critical habitats, protected and/or internationally recognized areas and any residual impacts will be addressed through site-specific mitigation measures defined in sub-project ESMPs. In addition, the project’s negative list will exclude activities which may be located in or which may affect protected areas, and those which could lead to the loss, conversion or degradation of natural habitats.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
This standard is relevant. Almost 44% of the Guatemalan population is indigenous, 41.7% of which self-identifies as Maya. All the 22 departments of Guatemala have some presence of indigenous peoples; in 14 of which they account for more than 25% of the population. In Chimaltenango, Sololá, Alta Verapaz, Totonicapán and Quiché, the percentage of Maya population raises up to constitute more than 75% of total population. As IPs are involved in project’s prioritized VC, they will be impacted by the project, and, their farmers and agri-entrepreneurs can become direct beneficiaries under components 1 and 2. However, these populations may be excluded if the project does not address structural barriers preventing them from (i) learning about project’s activities and opportunities (e.g. communication means frequently used by IPs, limited access to internet in remote areas); (ii) accessing credits or other financial products (e.g. credit rating, bank account); (iii) submitting business plans (e.g. lack of technical capacity, language and literacy barriers); and, (iv) applying national standards or adoption of international modern practices (e.g. lack of technical capacity, lack of understanding on how they can be integrated into their traditional harvesting practices). Moreover, labor practices may not align with the principles of ESS2 at the community level.

Considering that the project will adopt a demand-based approach, exact location of interventions will remain unknown until implementation. Hence, MINECO will develop, consult and disclose an Indigenous Peoples Planning Framework (IPPF) in a manner satisfactory to the WB within 90 days of Project effectiveness, and in any case, prior to disbursing/initiating any activities that present potential E&S risks or impacts to be managed in accordance with the IPPF. It will provide a description of IP population that will be targeted, applicable national and international legislation (including regarding free, prior and informed consultation and consent), gap analysis between national
legislation and ESS7, types and characteristics of potential subprojects and investments, opportunities for IPs to partake in project’s benefits in a sociocultural adequate manner, potential adverse risks and impacts. Based on the consultations with national and regional IPs organizations, the IPPF will inform on IP presence in prioritized VC, provide guidance on how to determine IP presence at subproject level as well as when and how Indigenous Peoples Plans (IPPs) will be developed in accordance with ESS7, and how IPPs will be integrated/link to subprojects’ business plans. The IPPF will also integrate affirmative actions to encourage IP participation in project’s benefits (e.g. socio-culturally adapted communication strategy and engagement processes and selection criteria specified in the Operations Manual). Finally, it will inform on the socio-cultural adaptations to project-level GRM included in the final SEP, as expressed by indigenous stakeholders during consultations.

The IPPF will be consulted with national IP organizations and indigenous farmers, complying with curfew and mobility restrictions in Guatemala and in line with WB Technical Note: “Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, March 20, 2020.” Consultations will be culturally appropriate, consider traditional systems of community engagement and decision-making, and encourage participation of specific vulnerable groups whose interests are traditionally underrepresented, such as indigenous women and youth. Feedback of the consultations will be integrated into the IPPF that will be disclosed online and in locations accessible to potentially affected communities and in a culturally appropriate manner.

While the IPPF will be developed, consulted and disclosed following effectiveness, 6 IP organizations and several indigenous farmers have already been involved in the consultation process that focused on project design, stakeholder engagement and project-level GRM that took place during preparation. Their feedback was integrated in the SEP and project document, including identification of obstacles to IP participation and corresponding affirmative actions.

ESS8 Cultural Heritage

This standard is relevant since adverse impacts on cultural heritage, whether tangible or intangible, could arise as a result of physical investments and infrastructure works under Component 1 -through COVID-19 financial support- and Component 2, within subprojects’ actual footprints. Traditional indigenous agricultural practices would be assessed and, if applicable, considered as intangible cultural heritage. The project will provide technical and financial support bearing in mind the cultural value of such practices, respecting and enhancing them as well as seeking their integration with modern practices. The ESMF will include provisions for subproject-level screening and assessment of any known sites of cultural or historic importance which may be impacted locally, as well as identification of any sites of cultural/social importance for local communities. Screening procedures and chance finds protocols will be included in the ESMF and will be incorporated into subsequent subproject-level ESMPs. All site-specific ESMP measures will be reflected in corresponding construction contracts.

ESS9 Financial Intermediaries

This standard is relevant. Under the Emergency Response to Covid-19 (component 1), the project will use a guarantee fund built within an existing trust fund (“Fondo de Desarrollo de la Micro, Pequena y Mediana Empresa -MIPYME”)
that sits within BANTRAB and is being used to provide emergency relief to micro, small and medium sized enterprises. Beneficiaries would request loans from financial intermediaries (FI) to reactivate their businesses, which will, in turn, request a guarantee certificate from the Trust Fund in favor of the FI to offset the risk.

The Project will exclusively support the guarantee fund for FI’s portfolios that comply with the following requirements: (i) are comprised only by loans requested by agribusinesses that operate within the project’s prioritized VC: vegetables, papaya, cardamom, potatoes and beans or any other approved during project implementation; (ii) the risk (including E&S risk) of the FI’s portfolio submitted for the issuing of a guarantee shall be low or moderate; (iii) it complies with the negative list included in the Project OM.

Approximately 95% of BANTRAB’s portfolio is currently comprised by workers, with very limited experience providing services to agricultural producers. One and a half years ago, BANTRAB created an Anthropology Unit with the objective of better understanding the social characteristics and drivers of potential clients to improve customer experience and added value. It has no experience on environmental issues.

BANTRAB will develop an Environmental and Social Management System (ESMS) in light of the ESS9 requirements within 90 days of effectiveness, in a manner satisfactory to the Bank; no guarantee certificate shall be issued with project resources before this ESMS is fully functional. Before BANTRAB can participate as a FI of the Project, it shall develop organizational capacity and competency for implementing, monitoring and reporting on the ESMS and shall designate a representative, responsible for overseeing E&S compliance in the portion of its portfolio using these guarantees.

Before being able to participate as a FI, second-level FIs will be required to commit to abide by BANTRAB’s ESMS applicable to the portfolio covered by the guarantee and implement the systems/mechanisms needed to implement the respective measures, which shall be explicitly reflected in the loan agreement to be signed between BANTRAB and each FI. BANTRAB will monitor E&S compliance of FI’s portfolio covered by the guarantee, and report to MINECO. At WB’s request, these reports shall be made available.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

The Project activities will be identified through a demand-driven sub-project mechanism and be national in scope. As such, small-scale irrigation activities may rely on water from watersheds that are shared with Belize, Mexico, El Salvador and Honduras, and which are considered an international waterway as defined in paragraph 1 of the Policy.

Given the limited amounts of water to be abstracted and the localized nature of the sources, the Project will not have any adverse impacts on the international waterways, nor their tributaries. The team has sought an approval of the exception to the Riparian Notification Requirement.

OP 7.60 Projects in Disputed Areas

No
### 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><strong>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ORGANISATIONAL STRUCTURE</strong></td>
<td></td>
</tr>
<tr>
<td>MINECO shall establish and maintain as part of the PIU an organizational structure with qualified personnel and resources to support the management of environmental and social risks, including at least the following full time-specialists:</td>
<td>01/2021</td>
</tr>
<tr>
<td>o One (1) environmental specialist</td>
<td></td>
</tr>
<tr>
<td>o One (1) social specialist (with expertise in IP matters)</td>
<td></td>
</tr>
<tr>
<td>o One (1) specialist in gender and social inclusion who coordinates with the Gender Units of MINECO and MAGA</td>
<td></td>
</tr>
<tr>
<td><strong>ENVIRONMENTAL AND SOCIAL ASSESSMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Carry out a general environmental and social assessment as part of the development of the ESMF.</td>
<td>05/2021</td>
</tr>
<tr>
<td>Develop a specific social and environmental assessment of each subproject as part of the development of the ESMP and other instruments that may be necessary for each subproject and to obtain the corresponding environmental permits, in accordance with the provisions of the ESMP and in a manner acceptable to the Bank.</td>
<td></td>
</tr>
<tr>
<td><strong>MANAGEMENT TOOLS AND INSTRUMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>MINECO will ensure that the Project is executed according to the following requirements, in a manner acceptable to the Bank:</td>
<td>05/2021</td>
</tr>
<tr>
<td>Develop, consult, adopt and disclose an Environmental and Social Management Framework (ESMF) that includes procedures for environmental and social assessments at sub-project level, as well as guidelines for the preparation of Environmental and Social Management Plans (ESMP) for sub-projects, as appropriate.</td>
<td></td>
</tr>
<tr>
<td><strong>MANAGEMENT TOOLS AND INSTRUMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Develop, consult, adopt and implement a strategic framework and action plan for gender equality</td>
<td>05/2021</td>
</tr>
<tr>
<td><strong>MANAGEMENT TOOLS AND INSTRUMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Develop, consult, adopt and implement the ESMPs for each sub-project, as requested and in line with the provisions of the ESMF, in a manner acceptable to the Bank.</td>
<td>05/2021</td>
</tr>
<tr>
<td><strong>MANAGEMENT OF CONTRACTORS/SUPERVISORY FIRMS</strong></td>
<td></td>
</tr>
<tr>
<td>Incorporate the relevant aspects of this ESCP, including the corresponding environmental and social instruments and the LMP, in the ESHS section of the bidding and procurement documents and in relevant contracts, as appropriate.</td>
<td>12/2021</td>
</tr>
</tbody>
</table>
Ensure that contractors and supervising companies comply with the environmental, social, health and safety specifications and codes of conduct of their respective contracts.

<table>
<thead>
<tr>
<th>EMERGENCY RESPONSE CONTINGENCY COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure that the CERC Manual for the project incorporates the environmental and social management arrangements applicable to the CERC, in a manner consistent with the environmental and social assessments, including for the preparation of any environmental and/or social instruments that may be required under emergency response activities in the event of activation of Component 5 of the Project.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMERGENCY RESPONSE CONTINGENCY COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>In line with the CERC manual of and in a manner acceptable to the Bank, prepare, adopt and disseminate any environmental and/or social instrument that may be required for activities under Component 5, in the event that the component is activated. Implement the measures and actions required by the instruments, within specified time frames, in a manner acceptable to the Bank. The instruments will be submitted to the Bank for review and approval.</td>
</tr>
</tbody>
</table>

### ESS 10 Stakeholder Engagement and Information Disclosure

<table>
<thead>
<tr>
<th>STAKEHOLDER ENGAGEMENT PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review, update and disclose the final version of the Stakeholder Engagement Plan (SEP).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STAKEHOLDER ENGAGEMENT PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement the SEP.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STAKEHOLDER ENGAGEMENT PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report on the implementation of the SEP.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GRIEVANCE REDRESS MECHANISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement the GRM included in the SEP.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GRIEVANCE REDRESS MECHANISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report on the implementation of the GRM</td>
</tr>
</tbody>
</table>

### ESS 2 Labor and Working Conditions

<table>
<thead>
<tr>
<th>LABOUR MANAGEMENT PROCEDURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop the Labor Management Procedures (LMP) in a manner acceptable to the Bank.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LABOUR MANAGEMENT PROCEDURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement and update the LPM as necessary.</td>
</tr>
</tbody>
</table>

Incorporate the requirements of the GRM for workers of consulting firms, contractors and supervisory companies in the corresponding bidding documents and contracts | 05/2021 |
### OCCUPATIONAL HEALTH AND SAFETY MEASURES

For each sub-project, develop specific OHS measures (including emergency preparedness and response measures where appropriate), and include these measures in the corresponding ESMP.

12/2021

### OCCUPATIONAL HEALTH AND SAFETY MEASURES

Incorporate the OHS measures in tender documents and in contracts with contractors and supervising firms.

12/2021

### OCCUPATIONAL HEALTH AND SAFETY MEASURES

Ensure that the specified OHS measures are implemented at each construction site/activity

12/2021

### ESS 3 Resource Efficiency and Pollution Prevention and Management

#### WASTE MANAGEMENT AND HAZARDOUS WASTE MANAGEMENT:

Develop and implement waste management measures, including training for contractors on how to manage waste generated by the project. Include these measures in the ESMPs, in accordance with the ESMF.

12/2021

#### WASTE MANAGEMENT AND HAZARDOUS WASTE MANAGEMENT:

Develop and implement waste management measures associated with production and processing activities of products in the value chains in accordance with the provisions of the ESMF.

12/2021

#### WASTE MANAGEMENT AND HAZARDOUS WASTE MANAGEMENT:

Develop and implement waste management measures associated with investments in sanitary, phitosanitary and traceability systems for food security, in accordance with the provisions of the ESMF.

12/2021

Include in ESMPs recommendations to promote resource efficiency (including energy and water) and pollution prevention and management measures. Include measures to ensure climate resilience of sub-projects, where appropriate.

12/2021

These resource efficiency measures should be technically and financially feasible (lighting and cooling, rainwater collection and storage, as well as sustainable use of water and building materials.

12/2021

Asbestos and lead management and disposal measures will be developed and implemented where required. These measures will be part of the ESMPs for sub-projects where applicable and will be prepared in accordance with the ESMF.

12/2021

### ESS 4 Community Health and Safety

Prepare, adopt and implement measures and actions to assess and manage specific risks and impacts to the community, including risks associated with change in road traffic, project worker behavior, risk of labor influx and emergency preparedness.

12/2021
Incorporate prevention and response measures to gender-based violence and sexual abuse/exploitation into the ESMF, proportional to the risks of the project.  

05/2021

Include mapping of services for victims of gender-based violence, guidelines for contractors’ code of conduct, and appropriate address of these complaints through the GRM under the SEP  

05/2021

Develop and implement measures and actions to assess and manage human security risks to project-affected communities and project workers that could arise from the use of security personnel. These measures and actions will be part of the ESMPs.  

12/2021

### ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

### ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Develop and implement measures and actions to avoid, minimize or mitigate the possible impacts of the subprojects on biodiversity and on the sustainable management of living natural resources. These measures and actions will be part of ESMPs.  

12/2021

Project pre-assessment processes will be implemented to avoid the location of facilities in or near natural or critical habitats or PAs to ensure that residual impacts are addressed through site specific measures.  

12/2021

### ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

INDIGENOUS PEOPLES’ PLANNING FRAMEWORK:  
Develop, consult, update, adopt and disclose an Indigenous Peoples Planning Framework (IPPF), in line with the ESS7, in a manner acceptable to the Bank.  

05/2021

Develop, consult, update, adopt and disclose an Indigenous Peoples' Plans (IPP) in accordance with the requirements of the Indigenous Peoples' Planning Framework (IPPF).  

12/2021

INDIGENOUS PEOPLES PLANS:  
Implement and monitor IPPs.  

12/2021

MECHANISM FOR HANDLING COMPLAINTS AND GRIEVANCES:  
Develop and adopt in the IPPF the modalities of the GRM required for indigenous peoples  

05/2021

MECHANISM FOR HANDLING COMPLAINTS AND GRIEVANCES:  
Describe these modalities in more detail in the respective IPPs (if the GRM is different from the one established under the ESS10 ).  

12/2021

MECHANISM FOR HANDLING COMPLAINTS AND GRIEVANCES:  
Implement the modalities of the GRM for indigenous peoples  

12/2021

### ESS 8 Cultural Heritage
CHANCE FINDS PROCEDURES
In the ESMF, develop and adopt the procedure for chance finds. 05/2021

Develop and adopt the procedure for incidental findings in the ESMPs developed for each sub-project in line with the ESMF 12/2021

Implement the procedures for incidental findings in each ESMP. 12/2021

ESS 9 Financial Intermediaries

Develop the ESMS of BANTRAB in light of the ESS9 requirements, ensuring that it is fully functional before any guarantee certificate can be issued with project resources. 05/2021

Each financial intermediary (FI) shall abide by BANTRAB’s ESMS, as reflected in the guarantee agreement to be signed between BANTRAB and each FI participating in the project. 06/2021

BANTRAB shall establish an organizational capacity and competency for implementing the ESMS. 06/2021

BANTRAB shall designate a representative to have overall accountability for environmental and social performance of FI’s guaranteed portfolio. 06/2021

Report to the Bank every six months on ESMS implementation and E&S performance of the secondary’s FI guaranteed portion of the portfolio. 12/2021

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: Katie Freeman
Title: Senior Agriculture Economist
Telephone No: +1-202-458-1665
Email: k kennedy1@worldbank.org

Contact: Tomas Rosada Villamar
Title: Senior Agriculture Economist
Telephone No: 5220+37023
Email: trosadavillamar@worldbank.org

Borrower/Client/Recipient
Borrower: Ministry of Finance Guatemala (MINFIN)

Implementing Agency(ies)
Implementing Agency: Ministry of Economy Guatemala (MINECO)

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): Tomas Rosada Villamar, Katie Freeman
Practice Manager (ENR/Social) Valerie Hickey Cleared on 08-Jun-2020 at 21:19:58 EDT
Safeguards Advisor ESSA Maria Da Cunha (SAESSA) Concurred on 09-Jun-2020 at 12:51:25 EDT