

**Republic of Panama**

**Ministry of Environment**

**Panama Sustainable Rural Development and  
Biodiversity Conservation Project (P178063)**

**Draft for Appraisal**

**ENVIRONMENTAL AND  
SOCIAL COMMITMENT  
PLAN (ESCP)**

**June 6, 2022**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Panama (the Recipient) will implement the Panama Sustainable Rural Development and Biodiversity Conservation Project (the Project), with the involvement of the Ministry of Environment (MiAmbiente), as set out in the Grant Agreement. The International Bank for Reconstruction and Development (the Bank), acting as the administrator of the Global Environment Facility (GEF), has agreed to provide financing (P178069) for the Project, as set out in the referred agreement.
2. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Grant Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Bank.
4. As agreed by the Bank and the Recipient, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Recipient through MiAmbiente and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Recipient's Director of the Office of Protected Areas and Biodiversity at MiAmbiente. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
<b>MONITORING AND REPORTING</b>		
<p><b>A</b>     <b>REGULAR REPORTING</b></p> <p>MiAMBIENTE shall prepare and submit bi-annual monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, in a manner and with a content that is acceptable to the Bank. Reports shall include, at minimum, the following:</p> <ul style="list-style-type: none"> <li>• Status of implementation of the ESCP.</li> <li>• Status of preparation and implementation of all environmental and social documents referred to in the ESCP.</li> <li>• Summary of activities to be performed during the following period.</li> <li>• Summary of capacity support and training activities.</li> <li>• Summary of disclosure, participation and consultation activities conducted during the period.</li> <li>• Record of complaints and grievances received and resolved during the period through the grievance redress mechanism established for workers and the community.</li> </ul> <p>The Project Operational Manual (POM) shall include an annex indicating the minimum content and format of the corresponding reports, as well as their frequency and processes.</p>	<p>Starting from the Effective Date, semiannually throughout Project implementation jointly with the Project Reports with the timeframe specified in Section II to Schedule 2 of the Grant Agreement.</p>	<p>MiAMBIENTE - Project Implementation Unit (PIU)</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <ol style="list-style-type: none"> <li><u>Flash Report</u>: Promptly notify the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers. Said prompt notice shall contain basic information on the incident or accident, its severity (explicitly stating whether it has resulted in death) and the circumstances under which it occurred, as well as any immediate measures taken or that are planned to be taken to address it.</li> <li><u>Detailed Report</u>: Subsequently, prepare and send to the Bank a report with details on the incident or accident and any measures required to prevent its recurrence.</li> </ol> <p>The POM shall include an annex with the minimum content and format of the Flash Reports and Detailed Reports.</p>	<ol style="list-style-type: none"> <li>Notify the Bank, through the Flash Report, within 48 hours after learning of the incident/accident.</li> <li>Send the Bank the Detailed Report on the incident/accident within ten business days after the event has occurred.</li> </ol>	MiAMBIENTE - PIU
C	<p><b>REGULAR REPORTS BY CONTRACTORS AND/OR THE BENEFICIARY ORGANIZATIONS OF THE SUBPROJECTS</b></p> <p>Include in the civil works contracts the obligation to provide the PIU with monitoring reports, which shall include, inter alia, information on ESHS aspects. The PIU, in turn, shall forward these reports to the Bank as part of the semiannual reports (see Action A).</p> <p>Include in agreements with subproject beneficiary individuals or organizations (hereinafter, SPBs), as applicable, the obligation to provide the PIU with details for the monthly monitoring reports to be prepared by the Project field technicians, which shall include, inter alia, information on ESHS aspects. The Project field technicians, in turn, shall prepare monthly monitoring reports on the subprojects. The PIU shall forward these reports to the Bank as part of the bi-annual reports (see Action A).</p> <p>The POM shall contain an annex with the minimum content and format of the subproject reports.</p>	<p>Contractors responsible for the implementation of civil works shall prepare and deliver to the PIU monthly monitoring reports throughout the corresponding works.</p> <p>The Project field technicians shall prepare subproject monitoring reports throughout Project implementation.</p> <p>The PIU shall forward these reports to the Bank on a bi-annual basis, through the bi-annual reports referred to in Action A.</p>	MiAMBIENTE - PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>MiAMBIENTE shall establish and maintain, as part of its Project Implementation Unit (PIU), an organizational structure with qualified staff to support the management of the Project's ESHS aspects, under terms of reference approved by the Bank and with qualifications and experience acceptable to the Bank. This support shall last throughout Project implementation and shall include (these elements will be assessed and adjusted throughout Project implementation, as necessary):</p> <p><b>At the central level:</b></p> <ul style="list-style-type: none"> <li>• Appoint one (1) full-time environmental specialist.</li> <li>• Hire one (1) full-time social specialist with experience in matters of gender and indigenous peoples.</li> </ul>	<p>The organizational structure of the PIU and the hiring or appointment of the aforementioned qualified personnel at the central level shall be completed no later than thirty (60) days after the Effective Date and remain in place throughout Project implementation.</p>	<p>MiAMBIENTE - PIU</p>
1.2	<p><b>FIELD TECHNICIAN PERSONNEL</b></p> <p>MiAMBIENTE shall hire or appoint technical assistance personnel responsible for supporting SPBs in the design and implementation of the socioenvironmental measures established in the Project's respective Environmental and Social Instruments and POM, as necessary.</p>	<p>At the start of activities under Project Component 2, as necessary and throughout Project implementation.</p>	<p>MiAMBIENTE - PIU</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
1.3	<p><b>SUBPROJECT AGREEMENTS AND INTERINSTITUTIONAL ARRANGEMENTS</b></p> <p>1. Draft (with a content that is acceptable to the Bank), sign and cause to comply with Subproject Agreements between the SPBs and MiAMBIENTE, which specify, at a minimum, that the SPBs shall comply with the requirements of the ESMF, LMP, PF and SEP and POM in the subprojects in question, all in accordance with Section 2.03(c) of the Annex to the Grant Agreement.</p> <p>2. Coordinate and establish a Subproject Evaluation and Selection Committee comprising, among other members, a Social and an Environmental Specialist, to evaluate proposals submitted under the project Call for Proposals and, using criteria to be defined in the POM, and select those to be developed into Eco-Business Plans, approved, and financed under the project.</p>	<p>1. Subproject Agreements with SPBs shall be signed before starting activities in the respective subprojects.</p> <p>2. The establishment of the Subproject Evaluation and Selection Committee shall be a withdrawal condition for subgrants under Part 2.2 of the Project.. Once established, operate and maintain the Subproject Evaluation and Selection Committee throughout Project implementation..</p>	MiAMBIENTE - PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
1.4	<p><b>ENVIRONMENTAL MANAGEMENT TOOLS AND INSTRUMENTS</b></p> <ol style="list-style-type: none"> <li>Finalize, adopt, and disclose the Environmental and Social Management Framework (ESMF) in a manner and with a content acceptable to the Bank and consistent with the ESSs.</li> <li>Assess and exclude from the Project any proposed subprojects and other activities according to the Exclusion List contained in the ESMF and the POM.</li> <li>Manage, coordinate, and track the inclusion of relevant environmental and social management requirements and measures in the subprojects, according to the Project's environmental and social instruments and the POM. Check that SPBs adequately implement said requirements and measures.</li> </ol>	<ol style="list-style-type: none"> <li>The ESMF shall be finalized no later than 30 days after the Project's Effective Date. The draft ESMF approved by the Bank shall be applied in a manner acceptable to the Bank until the ESMF is completed. The ESMF shall be implemented throughout the entire duration of the Project.</li> <li>Throughout Project implementation, as necessary.</li> <li>Throughout Project implementation, as necessary. The PIU shall review, finalize, and approve the subprojects, as applicable, in the following timeframes: a) In the case of subprojects or activities with procurement processes carried out at the central level: before commencing said processes; b) In the case of subprojects with acquisition processes entrusted to the SPBs: before signing the agreements with the corresponding SPBs. After the Subprojects have been approved, the environmental and social measures shall be implemented throughout the respective subprojects or other activities.</li> </ol>	MiAMBIENTE - PIU
1.5	<p><b>TECHNICAL ASSISTANCE</b></p> <p>Ensure that consultancies, studies, capacity support activities, training and any other form of technical assistance implemented under the Project is conducted in accordance with terms of reference that are acceptable to the Bank, consistent with the ESSs and that include the relevant requirements on ESHS aspects. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	Throughout Project implementation.	MiAMBIENTE - PIU
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p>Finalize, disclose, and adopt Labor Management Procedures (LMP) that identify risks and impacts associated with the Project, including a model code of conduct for the Project's workers, in a manner acceptable to the Bank and consistent with ESS 2.</p>	<p>The LMP shall be finalized no later than 30 days after the Project's Effective Date. The draft LMP approved by the Bank shall be applied in a manner acceptable to the Bank until the LMP is finalized. The LMP shall be implemented throughout the entire duration of the Project.</p>	MiAMBIENTE - PIU
2.2	<p><b>GRIEVANCE REDRESS MECHANISM FOR PROJECT WORKERS</b></p> <ol style="list-style-type: none"> <li>1. Establish, maintain, and apply a grievance redress mechanism for all Project workers in a manner acceptable to the Bank.</li> <li>2. Incorporate the requirements of the grievance redress mechanism for workers for contractors and subproject workers in the bidding documents and corresponding contracts, as well as the agreements signed with SPBs.</li> </ol>	<ol style="list-style-type: none"> <li>1. No later than 30 days after the Project's Effective Date and maintain it throughout Project implementation.</li> <li>2. Before starting the bidding process or before signing subproject agreements with SPBs.</li> </ol>	MiAMBIENTE - PIU
2.3	<p><b>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</b></p> <ol style="list-style-type: none"> <li>1. During the preparation of subprojects, identify the main occupational risks and hazards, as well as appropriate control measures in accordance with occupational safety standards in Panama and the LMP.</li> <li>2. Bidding terms for the works implementation agreements must include the requirement for a work accident prevention plan in accordance with occupational health and safety standards in Panama, the ESSs and the ESMF/LMP.</li> </ol>	<ol style="list-style-type: none"> <li>1. Same timeframe as for Action 1.4.3.</li> <li>2. Before starting bidding processes or before signing subproject agreements with SPBs.</li> </ol>	MiAMBIENTE - PIU
<b>ESS 3: RESOURCES EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			



MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
3.1	<p><b>WASTE MANAGEMENT</b></p> <p>Waste shall be managed in accordance with the Waste and Hazardous Materials Management Guide contained in the annex A from the ESMF on agrochemicals or pesticides and veterinary medicines, as applicable to each subproject. The PIU shall coordinate and supervise the proper implementation of the measures defined for each subproject.</p>	<p>The Project ESMF shall be finalized within the timeframe established for Action 1.4.1</p> <p>Incorporate into the subproject design document within the timeframe established for Action 1.4.3.</p>	MiAMBIENTE - PIU
3.2	<p><b>PESTICIDE MANAGEMENT</b></p> <p>Pesticide management shall be based on the Integrated Pesticide and Vector Management Plan (IPVMP) contained in the ESMF.</p>	Same timeframe as Action 1.4.3.	MiAMBIENTE - PIU
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<p><b>COMMUNITY HEALTH AND SAFETY</b></p> <p>Prepare, adopt, and implement measures and actions to assess and manage specific risks and impacts to the community arising from Project activities, including in relation to behavior of Project workers (including contractors and subcontractors), risks of labor influx and preparation and response to specific emergencies. Include these measures in subprojects. Implement measures and actions to guarantee that subprojects do not involve the construction of dams or reservoirs classified under the criteria of ESS4, Annex 1, para 2. Ensure that if subprojects involve the construction of publicly accessible buildings, the design and construction of said buildings include principles of universal access as per ESS4.</p> <p>Include gender violence and sexual abuse and exploitation prevention and response measures, proportionate to the risks of the Project, including the mapping of services for victims of gender violence, guidelines in the code of conduct for contractors and adequate treatment in the grievance redress mechanisms, as reflected in the SEP.</p>	Incorporate into the subproject design document within the timeframe established for Action 1.4.3.	MiAMBIENTE - PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
4.2	<p><b>RISKS OF GENDER VIOLENCE AND SEXUAL ABUSE AND EXPLOITATION</b></p> <p>Include in the ESMF and the SEP gender violence and sexual abuse and exploitation prevention and response measures, proportionate to the risks of the Project, including the mapping of services for victims of gender violence, guidelines in the code of conduct for contractors and adequate treatment in the grievance redress mechanisms.</p>	The ESMF and the SEP shall be finalized no later than 30 days after the Project's Effective Date.	MiAMBIENTE - PIU
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
5.1	<p><b>PROCESS FRAMEWORK</b></p> <ol style="list-style-type: none"> <li>Finalize, disclose, adopt, and implement the requirements of the Process Framework (PF) in subprojects or activities, where necessary as per the PF, in a manner acceptable to the Bank and consistent with the requirements of ESS 5.</li> <li>Include the requirements of the PF in subprojects or activities, where necessary per the PF.</li> </ol>	<ol style="list-style-type: none"> <li>The PF shall be finalized no later than 30 days after the Project's Effective Date. The draft PF approved by the Bank shall be applied in a manner acceptable to the Bank until the PF is finalized. The PF shall be implemented throughout the entire duration of the Project.</li> <li>Before beginning implementation of the subproject or activity involving a restriction of access to natural resources in a protected area.</li> </ol>	MiAMBIENTE - PIU
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
6.1	<p><b>BIODIVERSITY RISK AND IMPACT MANAGEMENT</b></p> <p>Subprojects must meet the exclusion criteria and must not result in any type of deforestation. They must incorporate environmentally friendly production alternatives (agroforestry, organic farming, etc.) to protect natural and critical habitats and promote biodiversity conservation in accordance with the ESMF and the POM, in a manner acceptable to the Bank.</p>	Incorporate into the subproject design document within the timeframe established for Action 1.4.3.	MiAMBIENTE - PIU
<b>ESS 7: INDIGENOUS PEOPLES/ SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
7.1	<p><b>INDIGENOUS PEOPLES PLANNING FRAMEWORK</b></p> <p>Finalize, adopt, disclose, and implement an Indigenous Peoples Planning Framework (IPPF), in a manner acceptable to the Bank and consistent with ESS 7.</p>	<p>The IPPF shall be finalized no later than 30 days after the Project's Effective Date. The draft IPPF approved by the Bank shall be applied in a manner acceptable to the Bank until the IPPF is finalized. The IPPF shall be implemented throughout the entire duration of the Project.</p>	MiAMBIENTE - PIU
7.2	<p><b>INDIGENOUS PEOPLES PLANS</b></p> <p>Develop, consult, adopt, disclose, and implement Indigenous Peoples Plans (IPP) where required for subprojects and other activities, consistent with the Indigenous Peoples Planning Framework (IPPF) prepared for the Project and ESS 7, in a manner acceptable to the Bank.</p> <p>Include the elements of an indigenous peoples plan in the overall design of subprojects in which indigenous peoples are the only or the majority of direct beneficiaries.</p>	<p>IPPs shall be developed, finalized, and approved within the timeframe established for Action 1.4.3.</p>	MiAMBIENTE - PIU
<b>ESS 8: CULTURAL HERITAGE</b>			
8.1	<p><b>CULTURAL HERITAGE MANAGEMENT</b></p> <p>a) Prepare and adopt the chance finds procedure in the ESMF. b) Prepare, adopt, and implement the chance finds procedure in the subprojects, in accordance with the ESMF.</p> <p>The PIU shall coordinate and track preparation (depending on the complexity of the activities) and supervise adequate implementation.</p>	<p>Incorporate into the subproject design document within the timeframe established for Action 1.4.3.</p>	MiAMBIENTE - PIU
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
This standard is not currently relevant.			
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN DEVELOPMENT AND IMPLEMENTATION</b></p> <p>Finalize, adopt, disclose, and implement the Stakeholder Engagement Plan (SEP) in a manner acceptable to the Bank and consistent with ESS 10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.</p>	<p>The SEP shall be finalized no later than 30 days after the Project's Effective Date. The draft SEP approved by the Bank shall be applied in a manner acceptable to the Bank until the SEP is finalized. The SEP shall be implemented throughout the duration of the Project.</p>	MiAMBIENTE - PIU
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Develop, adopt, maintain, and apply a grievance redress mechanism in a manner acceptable to the Bank and consistent with the SEP, that incorporates the requirements on adaptation for indigenous peoples established in ESS 7.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of sexual exploitation and abuse, and sexual harassment complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	<p>The Project's Grievance Redress Mechanism shall be available no later than 30 days after the Project's Effective date and function throughout Project implementation.</p>	MiAMBIENTE - PIU
<b>CAPACITY SUPPORT (TRAINING)</b>			
FC1	<p><b>TRAINING FORSPBs</b></p> <p>Training aimed at SPBs on the implementation of management measures for ESHS aspects included in the ESMF and the respective subproject ESMP and/or Management Guides.</p>	<p>Ongoing training throughout Project implementation.</p>	MiAMBIENTE - PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
FC2	<p><b>TRAINING FOR PIU SPECIALISTS AND FIELD TECHNICIANS</b></p> <p>1. Training aimed at PIU specialists (at the central and territorial levels) on the Bank's new ESS and Project instruments.</p> <p>2. Training aimed at field technicians on the Project's environmental and social instruments and the requirements applicable to subprojects.</p>	<p>1. No later than three (3) months after the Project's Effective Date, and continuously throughout Project implementation, as applicable.</p> <p>2. As necessary throughout Project implementation.</p>	MiAMBIENTE - PIU, with the support of the Bank
FC3	<p><b>CONTRACTOR TRAINING</b></p> <p>Training aimed at subproject contractors on occupational health and safety aspects, ESHS management, and workers' code of conduct.</p>	Training shall be provided throughout the subproject implementation period, as necessary.	MiAMBIENTE - PIU