



# Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

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**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Ecuador	LATIN AMERICA AND CARIBBEAN	P167416	
Project Name	EC-Social Safety Net Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Labor	Investment Project Financing	4/29/2019	8/8/2019
Borrower(s)	Implementing Agency(ies)		
	Ministry of Social Inclusion and Equity (MIES), Secretaria Nacional de Planificacion y Desarrollo (SENPLADES)		

Proposed Development Objective(s)

The PDO is to improve access of the extreme poor to selected social protection programs in targeted localities, and to improve the effectiveness of those programs.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>387.40</b>

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

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

Building on the Bank’s global experience to reduce poverty and inequality, the project will contribute to: (i) strengthen the social protection system to progressively fill coverage gaps for the extreme poor, (ii) increase the efficient allocation of resources and the efficacy of poverty alleviation programs, (iii) update the government’s information on vulnerabilities and coverage gaps of poverty alleviation programs, (iv) diminish the deprivations in



health, education and basic services that are at the core of multidimensional poverty measures, and (v) promote shared prosperity.

**D. Environmental and Social Overview**

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The project will be implemented at the national level, throughout a heterogeneous territory with diverse environmental, social, and institutional settings. The IPF will neither finance nor support any civil works activities. In this sense, the activities supported by the project are not expected to have any negative environmental impacts. Social risks are linked to potential exclusion of vulnerable households being targeted, access to and by vulnerable groups of cash transfers, use of multicultural approaches in the provision of social services, weakness in the grievance redress mechanisms and potential coordination challenges due to multiple institutions involved. The locations to receive “selected social protection programs” are those under the Misión “Ternura”, Misiones “Menos pobreza, más desarrollo”, and Misiones “Mis Mejores Años”. These Misiones were chosen because they target the extreme poor; have no other funding source and provide opportunities to combine the delivery of cash transfers with specific relevant complementary services. “Targeted localities” are aligned with the target population of misión “Ternura” in 90 cantons. These cantons were prioritized based on the following criteria: high concentration and prevalence of malnutrition and poverty; limited access to safe water; overpopulation; and lack of access to housing. Many of the targeted cantons therefore are in the Amazonia.

D. 2. Borrower’s Institutional Capacity

The Ministry of Social and Economic Inclusion (MIES – Ministerio de Inclusión Económica y Social) and the National Secretariat for Planning (SENPLADES) will be the two institutions responsible for overall project implementation. MIES and SENPLADES will be responsible for the implementation and day-to-day oversight of DLI-based Component 1 entailing the expansion of selected SP interventions and the update of the Social Registry (Registro Social). MIES will also be responsible for implementing activities under the Component 2 (technical assistance). Given that MIES nor SENPLADES have previous experience managing and implementing investment operations financed by the World Bank, a strong PIU will be set up in MIES. It will be necessary to ensure that the new positions count with a strong social specialist in order to ensure effective outreach to communities; implementation of multicultural dimensions in service provision; rights and responsibilities of beneficiaries are adequately communicated and understood; and a robust and accessible grievance redress system is functioning and widely disseminated.

Public Disclosure

**II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Moderate

**Environmental Risk Rating**

Low

The activities supported by the Program are not expected to have any negative environmental impacts. No rehabilitation or construction of infrastructure or other actions having an impact on the environment will be financed through the project. The Project will be implemented at the national level over a heterogenous geographical area, the overall risks and potential adverse environmental impacts are not considered significant

**Social Risk Rating**

Moderate

The Project is expected to have only positive social impacts on the vulnerable as its main objectives are intended to improve access of the extreme poor to the selected social protection programs and improve effectiveness. In



particular, the program intends to reduce extreme poverty and malnutrition rates through CCTs, reduce school dropout rates, and increase coverage of elderly care services contributing to a direct increase in life expectancy. While the project is not expected to do harm, it is expected that it will need to address challenges to implement the program. First, MIES and SENPLADES have not previously worked with the World Bank thus hand holding will be needed to ensure that environmental and social standards are applied effectively. It will be important to ensure that the measures to reach the extreme poor are effective particularly with regards to, access to social services, understanding of rights and responsibilities, multicultural approaches to service provision, and robust grievance redress mechanisms.

## **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:***

The Borrower will need to carry out a social assessment to identify potential risks for disadvantaged and vulnerable groups, particularly indigenous people, afro-descendants, women as well as other vulnerable groups. The disabled population would not be included as MIES finances a separate program that provides targeted assistance to them and thus will not be covered by this program. One of the challenges will be the one the project aims to correct – counting with reliable data to ensure that target groups are not excluded. Outreach to target groups, particularly indigenous peoples in remote areas such as the Amazonia and the Sierra, will be the first of several actions. The social assessment currently underway will identify potential risks, impacts, and the barriers of the existing social protection system (especially to vulnerable and marginalized peoples). The social assessment will also inform the design of the TA component however, some of the anticipated key areas include: (i) the development of a stakeholder engagement plan with specific measures for a continuous engagement, (ii) adaptation of social services provision (of the various ‘misiones’) to a multicultural approach, (iii) establishing and rolling out a grievance redress system, (iv) capacity building packages to the implementing agencies on these issues.

##### **Areas where reliance on the Borrower’s E&S Framework may be considered:**

Given the characteristics of the activities that will be financed by the Project, reliance on the Borrower’s Environmental and Social Framework may be considered for ESS2 (Labor and Working Conditions). Ecuador’s legal framework is in line with the principles of this Standard and subscribe to ILO Convention. The project will be implemented by government staff from the MIES and SENPLADES (government civil servants and other direct workers). NGOs may be contracted to support the implementation of Component 1 with regards to delivery of social services. Specific implementation and service delivery mechanisms will be explored at a later stage in project design and further assessed. ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement), ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), and ESS9 (Financial Intermediaries) are not relevant for this project. ESS3 (Resource Efficiency and Pollution Prevention and Management), ESS4 (Community Health and Safety), and ESS8 (Cultural Heritage) will be considered as TBD.

#### **ESS10 Stakeholder Engagement and Information Disclosure**

The Borrower will prepare a Stakeholder Engagement Plan (SEP) that will accompany the project’s preparation and implementation phase. The SEP will be prepared in consultation with relevant government entities, communications



experts, and local NGOs in the project areas. Based on a preliminary assessment, these consultations should include, Ministerio de Inclusion Social y Economico (MIES) staff from the various programs supported by the project, MIES staff at the national, regional and cantonal levels, SENPLADES at the national level, and national NGOs working on social protection programs and working with indigenous peoples. The plan will represent Indigenous peoples' representatives, members of the afro descendant community, women of all ethnicities, and other vulnerable groups. The social assessment will determine possible bottlenecks in the achievement of the project PDOs, particularly as they relate to access to services, exclusion issues, and outreach and communication to remote and dispersed populations.

## **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**

Activities under the project are not expected to have any negative impacts related to labor and working conditions. The applicable national legal framework is aligned with the principles of ESS2. The project will be implemented primarily by government staff from MIES at the national, regional, and canton levels. It is possible that some of the services may be delivered by local NGOs but this will be assessed during preparation. The social assessment will look into the working conditions of the staff working under the project, to determine whether they are materially consistent with ESS2. Based on the findings of the social assessment's review of labor practices, project-specific written labor management procedures will be prepared by the Borrower as per the requirements of the standard. Lastly, occupational health and safety aspects that should be considered when working in remote regions, such as Amazonia will be included.

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

The Project will neither finance nor support any civil works activities thus no pollution prevention and management measures will apply. However, its application will consider as TBD because aspects such as elimination of use of paper in the program to the extent possible and purchase of energy efficient equipment under component 2 could be relevant and should be considered during preparation.

### **ESS4 Community Health and Safety**

The Project will neither finance nor support any civil works activities. No rehabilitation or construction of new infrastructure or other actions having an impact on the environment will be financed through this IPF. In this context it is not expected to generate any negative impact on the community health and safety. Nevertheless, this will be left as TBD as there may be a need to improve accessibility to buildings and offices related to the program offices for the public. Some modifications may be necessary for facilitating access and program information and systems to consider people with special needs.

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



The Project will not require land acquisition and therefore no resettlement. It is not expected to generate any negative impact covered under ESS5.

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

The Project will neither finance nor support any civil works activities. The IPF will finance the delivery of social services and improve the targeting mechanisms to reach the poor. As such, it is not expected to generate any negative impact on the Biodiversity Conservation and Living Natural Resources.

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

The Project will apply ESS7 as a large segment of the beneficiaries are expected to be indigenous peoples or Afro-descendants 7% (1.02 million people) of Ecuador's population is indigenous. It is not expected that the project will have a negative impact on indigenous peoples or other minorities. An Indigenous Peoples Framework (IPPF) will be developed and Indigenous Peoples Plans (IPPs) focused on communities with similar territorial and cultural characteristics such as Afro-Ecuadorians, Amazonian communities and sierra. The IPPF will be developed based on the result of the social assessment and will focus on the main challenges stem from the need to ensure that project objectives and impacts are enhanced, namely: (i) improved targeting of indigenous peoples, particularly those in areas of difficult access such as the Amazonia, (ii) communication and outreach challenges due to geography, culture, and at times, language. Outreach and communications programs will need to be designed understanding the appropriate messengers, channels, and messages. Communications strategies to improve the understanding of beneficiary rights and responsibilities will also be critical to ensure positive human development outcomes. (iii) access to services that provided in a culturally adapted manner will be critical and will require institutional strengthening of MIES at the various levels. Lastly, (iv) strengthened and culturally appropriate grievance redress mechanisms will need to be developed using a tailored approach that is aligned with indigenous people's customs. An IPPF will therefore be prepared and include a protocol based on the ESS 7 Guidance Note, national legislation, (such as the Política Nacional de Garantías - National Guarantee Policy), and follow the UN Guidelines on the Protection of Indigenous Peoples in Voluntary Isolation and the ILO 169 Accord that has been ratified by Ecuador.

#### **ESS8 Cultural Heritage**

The Project will finance the delivery of social services and improve the targeting mechanisms to reach the poor. In this context it is not expected that there will be any possibility of directly or indirectly affecting tangible or intangible cultural heritage. However, its application will be considered as TBD based on the results of the social assessment. Given the national scope of the project, there may be the potential of negatively impacting the intangible cultural heritage of indigenous people and/or afro-descendants. The social assessment would screen for those impacts and, if identified, propose mitigation measures.

#### **ESS9 Financial Intermediaries**

The Project will not work with financial intermediaries thus will not apply ESS9.



**C. Legal Operational Policies that Apply**

<b>OP 7.50 Projects on International Waterways</b>	No
<b>OP 7.60 Projects in Disputed Areas</b>	No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

Not applicable

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

The Borrower will carry out a social assessment prior to appraisal to evaluate if there are any risks associated with the proposed activities under the Project. The Social Assessment is a key document whose information will feed into the Stakeholder Engagement Plan (SEP) and IPPF and will therefore be prepared first. The assessment will delineate mitigation measures and other proposed actions to improve the design or implementation of the activities. The Borrower will also prepare a SEP and IPPF by appraisal, both of which will be further detailed prior to Bank Board Approval. The SEP will include a proposed grievance redress mechanism.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

The ESCP will be part of the legal agreement and is likely to address: (i) lack of reliable data on indigenous people, afro-descendants and other vulnerable groups who may not be reached through the program, (ii) enhancement measures to ensure PDOs are reached such as tailored approaches to beneficiary outreach, communications, and adaptation of services provided to different vulnerable groups and ethnicities.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS** 20-Jan-2019

**IV. CONTACT POINTS**

**World Bank**

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Public Disclosure



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**Borrower/Client/Recipient**

**Implementing Agency(ies)**

Implementing Agency: Ministry of Social Inclusion and Equity (MIES)

Implementing Agency: Secretaria Nacional de Planificacion y Desarrollo (SENPLADES)

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s):	Nelson Gutierrez
Safeguards Advisor ESSA	Noreen Beg (SAESSA) Cleared on 10-Jan-2019 at 15:49:50
Practice Manager	Pablo Gottret (PMGR) Concurred on 16-Jan-2019 at 11:18:14