



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 09/13/2023 | Report No: ESRSC03739



I. BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Costa Rica	LATIN AMERICA AND CARIBBEAN	P179757	
Project Name	Enable Costa Rica Country Project Supporting Social Inclusion In Fcpf Emission Reductions Program		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Sustainability and Inclusion	Investment Project Financing		3/29/2024
Borrower(s)	Implementing Agency(ies)	Estimated Concept Review Date	Total Project Cost
			3,700,000

Proposed Development Objective

The Project Development Objective (PDO) is to promote the socially inclusive sharing of benefits from Costa Rica’s Emission Reductions Program and its Benefit Sharing Plan, with a focus on indigenous peoples and local communities (IPLCs).

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

No

C. Summary Description of Proposed Project Activities

The EnABLE Costa Rica Country Project Supporting Social Inclusion in FCPF Emissions Reduction Program seeks to promote the socially inclusive sharing of benefits from Costa Rica’s Emission Reductions Program and its Benefit Sharing Plan, with a focus on indigenous peoples and local communities (IPLCs). The proposed Project would work in a coordinated manner with Costa Rica’s ERP to ensure that benefit sharing, as established in the Project’s BSP, is carried out in a socially inclusive manner. The Project will work directly with IPLCs to enhance their voice and participation, thereby enhancing their ability to gain benefits from Costa Rica’s Emission Reductions Program and other REDD+ activities in Costa Rica. Project beneficiaries consist of IPLCs, with a strong focus on women and youth, in selected geographical areas in Costa Rica that currently benefit, or have the potential to benefit, from the ERP, its BSP, and other REDD+ activities. IPLCs, including women’s organizations, have been identified as playing a critical role in forest management, conservation, and emission reduction activities in the country. Under Component 1 activities will aim to

Public Disclosure



improve socially inclusive participation and benefits from Costa Rica’s ERP and its BSP by strengthening organizational capacity and supporting enabling conditions. Component 2 will provide access to resources to promote sustainable practices for forest conservation, use, and management activities that reduce GHG emissions, in line with Costa Rica’s national REDD+ Strategy. Component 3 will finance project administration, monitoring, and evaluation. The Project is expected to benefit a total of 20,000 individuals. It will directly benefit approximately 4,000 forest-dependent IPLCs through capacity building, work on enabling conditions, and support for their subprojects to promote sustainable forest management and productive activities while contributing to emission reductions.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

Costa Rica, the second smallest Central American nation, covers 51,100 km sq., boasting diverse landscapes. Over half is forested, mainly primary forests, and 42.9% is protected areas, underscoring its commitment to environmental preservation. However, despite steady economic growth, a 13.2% unemployment rate in 2023 disproportionately affects vulnerable groups—afro-descendants, indigenous people, women, youth, and the disabled. These communities grapple with informal labor, wage gaps, and unequal access to services.

With 2.4% of the population, indigenous communities (Cabécares, Bribris, etc.) concentrate in regions with high poverty rates. Historically marginalized, they face informality, land tenure challenges, and limited services. The REDD+ strategy, active since 2011, prioritizes indigenous engagement, creating Indigenous Peoples Plans (IPPs) with mediators. These plans determine investment of conservation income.

Private forests experience more deforestation, often tied to land tenure systems. Indigenous and local communities (IPLCs) play pivotal roles in conservation. Unfortunately, climate funding inadequately supports their tenure and management efforts, receiving less than 1% of climate-focused Official Development Assistance (ODA).

Gender disparity in land rights persists, particularly among indigenous women who confront tenure insecurity, language barriers, and political exclusion. Within agriculture, they own only 8% of land, with limited representation in indigenous communities.

Costa Rica's dedication to both environmental preservation and inclusivity underscores the importance of sustainable practices for balanced growth. Harmonizing environmental protection, social inclusion, and economic progress remains pivotal for a just and prosperous future, especially for indigenous communities intricately connected to their land and heritage.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

A Project-specific Steering Committee (SC) will be created to provide overall governance of the EnABLE Project. The SC will be composed of indigenous peoples’ representatives from the four Territorial Regional Blocks (TRB) and representatives of women’s associations. The SC will be responsible for high-level decision making and strategic



coordination. The SC will also be responsible for overseeing the implementation of the Project by Fundacion Banco Ambiental (FUNBAM) and the IPO and CSO Implementing Partners.

FUNBAM, as the Project Administration Agency (PAA), will operate under the strategic direction of the Project’s SC. FUNBAM will launch calls for proposals and will evaluate technical and financial viability of proposals submitted by Implementing Partners to carry out Project activities under Components 1 and 2. FUNBAM will engage with Implementing Partners through subgrant agreements and will provide administrative, fiduciary, and E&S capacity building to ensure they meet Bank requirements. FUNBAM will also carry out the monitoring and evaluation (M&E) for the Project.

FUNBAM possesses a robust institutional capacity for managing international funds in activities involving multiple stakeholders and a deep understanding of the environmental policies and strategies of Costa Rica. Under EnABLE, FUNBAM will assign dedicated E&S capacity. FUNBAM will appoint or retain one full-time E&S specialist with enough skills and experience to ensure adequate management of E&S risks, implementation, monitoring and reporting on the projects’ instruments. FUNBAM shall ensure the implementation of project activities in accordance with the approved E&S instruments, including monitoring and training at the subproject level. The details on the staffing requirements will be included in the project’s Environmental and Social Commitments Plan (ESCP).

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) Moderate

A.1 Environmental Risk Rating Moderate

Moderate. Under component 1, the project will provide technical assistance, legal assistance, and organizational support to beneficiary institutions; none of which entail any material environmental risks and impacts. Under component 2, the project will provide seed funding for pre-investment subprojects to assist IPLC organizations. Envisaged subprojects will correspond to moderate or low risk activities, and will include reforestation and conservation initiatives, water resources management, and post-harvest protection. The exact type, location, and scope of subprojects will not be known prior to project approval, though they will be screened against an exclusion list of projects. Subprojects are expected to generate positive environmental impacts through reduction of deforestation and forest degradation, and the enhancement of forest carbon stocks. Subprojects may pose the following environmental risks and impacts: (i) minor vegetation clearing for small-scale infrastructure investments; (ii) water overuse for seedling production in nurseries for agroforestry and reforestation activities; (iii) introduction of invasive species; (iv) potential land and water pollution and degradation; (v) mismanagement of waste and/or wastewater; (vi) risk of fuel/oil spills and air emissions connected to fuel consumption for generators, pumps and other equipment; and (vii) occupational health and safety hazards for the workforce. No agrochemicals or pesticides will be used; rather, sustainable reforestation and agroforestry practices will be introduced. The Bank will review the terms of reference (TORs) for technical assistance activities under components 1 and 2 to ensure the requirements of the ESF are reflected, and downstream impacts are taken into account in the commissioning of pre-feasibility studies.

Public Disclosure



A.2 Social Risk Rating

Moderate

Moderate. The project is focused on supporting opportunities and access to benefits for IPLCs, is based on existing stakeholder engagement dynamics, and continuous consultations are embedded into the project’s objectives. Some contextual social risks include: IPLCs in Costa Rica experience a growing inequality and some IP groups remain at odds with the official representative bodies, the ADIs (Indigenous Development Associations). Social risks specific to the project include: (i) failing to secure representativity and objective alignment in the constitution of the Steering Committee, which may lead to unbalanced representation among the four territorial blocks and their respective ADIs; furthermore, the organizational arrangement of EnABLE is highly dependent on the SC’s leading capacity when dealing with other institutions; (ii) inadequate selection criteria of potential beneficiaries and their limitations, running the risk of favoring organizations in territories with higher capacity and experience dealing with similar initiatives; (iii) failing to acknowledge the diversity of IP communities, even within territories, which could lead to products and material at risk of being exclusionary or failing to effectively reach all groups; (iv) inadequate stakeholder engagement processes that could lead to grievances; (v) the risk of exclusion of vulnerable groups within the IPLCs, particularly if these vary from territory to territory; and (vi) lack of clarity in the scope and limitations of activities supporting land tenure regularization, which could exacerbated broader tenure issues already present in most IP territories. The project shall promote meaningful consultations with IP communities and their representative bodies and organizations; culturally appropriate engagement processes; provide sufficient time for IPs decision making processes; and allow their effective participation in the design of project activities or mitigation measures.

B. RELEVANCE OF STANDARDS AND POLICIES AT CONCEPT STAGE

B.1 Relevance of Environmental and Social Standards

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Relevant

Activities under Component 1 don't pose any significant or material E&S risk and impact. Under component 2, the project will provide seed funding for pre-investment subproject to assist IPLC organizations (e.g. reforestation and conservation initiatives, small-scale sustainable productive activities). Only minor construction works are anticipated for some subprojects. The exact type, location, and scope of subprojects will not be known prior to project approval, though they will be screened to exclude those that could lead to deforestation/degradation or are located in critical habitats or ecosystems. Some subprojects may be located within/next to legally protected areas. To address these risks and impacts, the Recipient will prepare an Environmental and Social Management Framework (ESMF) in line with the ESF and the WBG Environment, Health and Safety (EHS) Guidelines. The ESMF shall be prepared, consulted on, finalized and disclosed no later than 60 days after grant Effectiveness.

ESS2 Labor and Working Conditions

Relevant

Project workers include direct workers, community-based workers, and primary supply workers. While the exact number of project workers to be contracted is not known at this time, project activities are not expected to create labor influx impacts.

The key OHS risks associated with project activities are connected to (i) office-based work leading to ergonomic impacts; (ii) risks associated with road travel and site visits; (iii) child labor; and (iv) the use of machinery and

Public Disclosure



equipment, minor construction works, the installation of equipment, and agroforestry activities. Other labor risks arise from contextual threats including GBV, SEA and SH as well as potential discrimination.

The Recipient will comply with all relevant national laws and regulations for labor and OHS, including the implementation of a grievance mechanism for project workers. Details of the GRM, SEA/SH and conduct guidelines will be included in the ESCP and their content will be included in the POM.

ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant

Subprojects eligible for financing under the project include reforestation, conservation, agroforestry, cultural forest management, water resource management and post-harvest protection. While they will all have positive environmental impacts by contributing to climate change mitigation, they also may create certain negative environmental risks and impacts, though predictable, low to moderate in magnitude, temporary, site-specific, and readily mitigated. The ESMF will include an exhaustive and detailed Exclusion List of activities and equipment that will not be eligible for finance and a list of generic mitigation measures addressing said E&S risks and impacts (e.g., no pesticides will be used).

Waste generated by subprojects will be disposed of according to national regulations and ESS3, as well as the WBG General EHS Guidelines. The project will not use pesticides or agrochemicals for project activities and will promote the use of organic fertilizers to the extent possible.

ESS4 Community Health and Safety

Relevant

Risks to community members are associated with the use of equipment and handling of wastes as a result of the implementation of infrastructure investments and other activities under component 2.

The ESMF will evaluate potential community health and safety issues related to subproject activities and will outline the process for detailed subproject screening and management, as well as generic measures for ensuring community health and safety.

The ESMF will address community emergency response concerns, while ESMPs will include procedures to manage and mitigate these risks accordingly and promote climate resilient infrastructure.

Potential GBV and SH/SEA risks associated with subproject activities are not expected to be significant. The ESMF will include a Code of Conduct for project workers.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Currently Relevant

This standard is not relevant. The project will not involve land acquisition or involuntary resettlement as defined in ESS5. For this project, subcomponent 1.2 will support the resolution of land tenure pending processes or conflicts, and component 3 could support, among others, cultural forest management in accordance with IP practices. These impacts will be managed in the project’s ESMF (and subsequently in site-specific ESIA or ESMP, as applicable). In the context of the ERP and Costa Rica’s PSA program, there might be restrictions on land and/or resource use, particularly in protected areas, which is essential to the ERP’s objectives. However, this project will not support activities/processes that would entail any type of involuntary land use restriction, as determined through the application of an exclusion list in the project’s ESMF. Activities requiring free, prior, and informed consent (FPIC) processes will be discarded from the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

Public Disclosure



Subprojects will be located within forested or reforested lands, some of which may include legally protected areas or their buffer zones. Subprojects within legally protected areas or buffer zones will not be financed unless they comply with specific ESS6 requirements.

Importantly, the ESMF will comprise an exhaustive and detailed Exclusion List of ineligible activities under the project, for example, (i) activities within natural protected areas that are not contemplated in their management plans or are not allowed by SINAC; (ii) activities that promote land use changes from forestry use to agriculture plantations, silvopastoral systems and/or agroforestry systems; (iii) activities promoting forest conversion, deforestation, degradation, or any other alteration of natural habitats; (iv) the clearing of forested lands to install project infrastructure or ancillary facilities; (v) activities that would disturb or alter critical habitats; or (vi) forest harvesting activities.

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

Relevant

The project will support and enable the access of IP to ERP benefits. Specific risks for IP groups include: (i) limited access to project information; (ii) exclusionary or uneven stakeholder engagement; (iii) lack of details about the degree of support that could be provided to land regularization and if these limitations could hinder access to project benefits; and (iv) unclear criteria for the constitution of the Steering Committee.

The project’s ESMF will include a baseline analysis of IP territories and their standing in relation to the REDD+ strategy and, concretely, to the ERP. FPIC processes are not expected as the project will only support activities that have been proposed by IPOs or IP communities themselves, and that have evidence of broad community support. Project activities requiring FPIC will be thus ineligible for project funding as will be determined in the exclusion list within the project ESMF.

ESS8 Cultural Heritage

Relevant

While project activities are not expected to have a negative impact on cultural heritage, the relevance of this standard will be assessed during subproject preparation in the corresponding E&S instruments. Possible risks include negative impacts on traditional conservation and production knowledge, and/or natural features with cultural significance to local IP communities as a result of project interventions.

The ESMF will include procedures to screen subprojects and locations for known archeological or historical sites. For any intervention involving earth movements, such as minor construction works required for infrastructure investments, the ESMF will prescribe a Chance Finds Procedure in accordance with national laws and ESS8, which in turn will be reflected in the corresponding site-specific instruments (e.g. ESIA or ESMP) and bidding documents and works contracts, where applicable.

ESS9 Financial Intermediaries

Not Currently Relevant

The project will not involve the use of financial intermediaries.

Public Disclosure



ESS10 Stakeholder Engagement and Information Disclosure

Relevant

Recipient will prepare, consult, disclosed and adopted no later than 60 days after grant Effectiveness a a draft SEP. It will be closely articulated with the ongoing stakeholder engagement that has been carried out by FONAFIFO, the REDD Secretariat, and SINAC as part of Costa Rica’s long term REDD+ strategy. The draft SEP will also include a description of the GRM that would support this project, which will likely be under the Mecanismo de Información, Retroalimentación e Inconformidades para las Partes Interesadas Relevantes de la Estrategia Nacional REDD+ (MIRI). The SEP will describe which adaptations and accountability measures would be necessary to account for FUNBAM’s role, the Steering Committee, and any other implementing partners and agencies. During project preparation, the Recipient will consult prioritized stakeholders; in the case of IP communities, stakeholder engagement would follow the established processes currently underway in the PAFTs.

B.2 Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

OP 7.60 Projects in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

None

No

Use of Common Approach

N/A

No

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

FUNBAM will (i) prepare TORs for the project’s ESMF; (ii) prepare and disclose a draft ESCP; and (iii) prepare and disclose a draft SEP that describes the project main stakeholders, the project’s consultation strategy as part of the broader ERP consultations processes, and the necessary adaptation’s to the existing GRM (MIRI).

III. CONTACT POINTS

World Bank

Task Team Leader: Kennan W. Rapp

Title:

Senior Social Development Specialist

Public Disclosure



The World Bank

EnABLE Costa Rica Country Project Supporting Social Inclusion in FCPF Emission Reductions Program
(P179757)

Email: krapp@worldbank.org

IV. 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>

V. APPROVAL

Task Team Leader(s):	Rosa Maria Martinez, Kennan W. Rapp
ADM Environmental Specialist:	Patrick Wieland Fernandini
ADM Social Specialist:	Ricardo Marten Caceres
Practice Manager (ENR/Social)	Genevieve Connors Recommended on 01-Sep-2023 at 22:42:47 EDT