



Concept Environmental and Social Review Summary

Concept Stage

(**ESRS Concept Stage**)

Date Prepared/Updated: 11/06/2023 | Report No: ESRSC03887



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P181064	Investment Project Financing (IPF)	Blue Economy	2025
Operation Name	Belize Blue Economy Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Belize	Belize	LATIN AMERICA AND CARIBBEAN	Environment, Natural Resources & the Blue Economy
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
The Government of Belize	Ministry of Economic Development	27-May-2024	31-Oct-2024
Estimated Concept Review Date	Total Project Cost		
23-Oct-2023	21,760,000.00		

Proposed Development Objective

To improve Belize's management capacity for sustainable development of its blue economy and increase access to climate resilient and sustainable water and sanitation services in targeted coastal areas of Belize.

B. Is the operation 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

[Description imported from the Concept Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

This proposed project will support the government to improve its policy and technical capacity of managing its blue economy development and finance climate-resilient green and grey infrastructure that are critical to the livelihood of its population and the sustainability of its blue economy. It will support the following three components: Component 1: Policy Development and Capacity Building. This component aims to improve Belize's policy framework and technical



capacity for the sustainable development of Belize’s blue economy. It will support three subcomponents: (a) policy development, (b) capacity development, and (c) blue economy investment program. Component 2: Water, Sanitation and Waste Management. This component will support (a) the upgrade of Belize City Wastewater Treatment Plant; (b) water network expansion in South San Pedro; (c) water network expansion in North Placencia Peninsula; and (d) waste management pilot in San Pedro. Component 3: Project Management. This component will support project management, monitoring and evaluation (M&E), technical assistance and technical studies, capacity strengthening. It will finance project implementation costs associated with the project implementation units (PIU) at key agencies involved in project implementation.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation’s environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 2,000]

The Project will be implemented in Belize, an upper middle-income country with a population of 405,272 in 2022. The scope of infrastructure investments will cover Belize City, San Pedro, and Placencia, while the policy and capacity building interventions will be national. Belize is highly vulnerable to external economic shocks and adverse impacts of climate change that cause tremendous damage to key sectors including tourism. Infrastructure investments in San Pedro and Placencia have not kept up with the demand which has contributed to wastewater leakage into coastal areas; coastal erosion; sargassum blooms; and increased pressures on public water supply, sanitation, and solid waste management services. In Belize City, the Belize Water Services reports that the wastewater treatment plant does not meet the required effluent discharge standards leading to pollution of the Caribbean Sea. There is also a lack of adequate policy measures and investment financing to systematically address the above concerns. The Project area of influence reflects the findings of the 2022 Census which indicates that Belize maintains a high poverty rate of 35.7 percent. Women are more likely to be self-employed and poor, indicating the structural difference in employment and poverty outcomes. Rural communities live mainly on subsistence agriculture, fishing, and foreign remittances. Other disadvantaged groups that could face discrimination and marginalization are the LGBTQ+ community, persons with disabilities, the youth, etc. According to the Ministry of Indigenous Peoples (IP) Affairs of Belize, the country's Indigenous peoples comprise approximately 18% of the country's population. Overall, the Project interventions are expected to reduce land and marine pollution, promote sustainable management of coastal zones, and improve the health and wellbeing of the population.

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

[Description of Borrower’s capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 2,000]

The Ministry of Economic Development (MED) is the lead implementing agency for preparing and implementing the proposed Project. The MED plays an active role in coordinating national stakeholders and development partners and plans to use its Central Executing Unit (CEU) as the Project Implementation Unit (PIU) for this Project. The CEU has experience in managing projects with different development partners including on environmental and social (E&S) aspects. The Belize Water Services (BWS) - a government-owned company - will lead the execution of water and sanitation activities under Component 2, including E&S risk management. The CEU will ensure overall Project



coordination with the BWS and with other relevant authorities such as the Belize Waste Management Authority and San Pedro town government. The Government of Belize has implemented projects under the World Bank safeguards policies and is gaining experience with projects under the Environmental and Social Framework (ESF). The CEU and BWS each have one E&S specialist who have experience with E&S risk management but this will be their first time implementing a project under the ESF. During project preparation, the WB will assess the experience and capacity of relevant institutions in implementing E&S risk management measures under the ESF and recommend capacity development measures. The findings, recommendations, and actions will be documented in the appraisal ESRS and in the Environmental and Social Commitment Plan (ESCP).

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]

The environmental risk rating is Substantial at the Concept Stage. This rating is based on the proposed locations, type of investments, potential sensitivity of project intervention, nature and magnitude of potential risks and impacts, and client capacity. The Project is expected to improve the quality of wastewater effluent, promote recycling and improve access to safe and reliable potable water. The key potential environmental risks and impacts are primarily associated with Component 2 activities and include (i) soil, water, and air pollution resulting from the desludging of facultative ponds and septage disposal; (ii) leakages and emissions of greenhouse gasses (GHGs) from the wastewater treatment plant upgrades; (iii) adverse impacts to water quantity and quality of groundwater systems in water supply systems; (iv) generation and disposal of hazardous waste; and (v) construction stage risks such as occupational health and safety (OHS), cultural heritage risks, and waste management. These risks are likely to be temporary and can be managed through proper design and implementation of appropriate risk mitigation measures. The full range of key risks will be further assessed during Project preparation once activities are more defined, and the appropriate measures will be identified and documented in the ESCP and E&S assessments and management plans to prevent or mitigate risks.

A.2 Social Risk Rating

Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]

The project's social risk rating is Moderate. The main social risks of the project activities are i) the social exclusion of the disadvantaged and vulnerable groups (fishers, female-headed households, low-income households, the youth, the LGBTI+ community, persons with disabilities, etc.) from the consultation and decision-making processes , ii) transparency of stakeholder participation and public information disclosure, iii) inadequately addressing and promoting environmental and social capacity building and institutional strengthening, iv) potential labor influx with moderate risks and low SEASH risks, v) potential for moderate economic and physical displacement caused by civil work, vi) low-moderate risk for child labor, along with labor safety concerns, vii) Weak capacity of contractors to manage environmental and social risks and impacts. Component 2 will not impact indigenous groups (IPs) as defined under ESS7. However, Component 1 could require IPs' participation during consultations to develop policies and plans for the Project. At this stage, there are no identified risks of exclusion to the benefits of the Project, for example, as

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those under Component 2 but this will further be assessed and validated during Project preparation. During Project preparation, appropriate environmental and social measures will be identified and documented in the ESCP to prevent or mitigate identified risks and impacts. Section C of this C-ESRS also summarizes the proposed Environmental and Social Risk Management Activities the Project will implement to avoid or mitigate identified E&S risks and impacts. The ESRC will be reviewed regularly throughout the project life cycle to ensure that it continues to accurately reflect the level of risk that the project presents.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 2,000]

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

[Optional Explanation - Max. character limit 1,000]

The project's key potential E&S risks and impacts are highlighted in Section A. The appropriate methods and tools for the E&S assessments (as described under ESS1 Annex 1) and their timing will be determined during project preparation. These are likely to be a combination of ESIA, ESMP, and E&S Codes of Practice. During project preparation, the Borrower will develop draft terms of reference (ToR) for these assessments which will consider the requirements of the ESF and the World Bank EHS Guidelines. The TOR will be reviewed and cleared by the WB prior to appraisal and thereafter disclosed for stakeholder consultations and feedback. The assessments will inform project design and no activities will commence prior to having the appropriate measures in place. Any technical assistance activities under the Project will adhere to the requirements set out in paragraphs 14–18 of ESS1, consistent with ESSs 1-10. The Borrower will prepare and disclose a draft ESCP before appraisal.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Optional Explanation - Max. character limit 1,000]

The main project stakeholders include government ministries and agencies; civil society organizations and the private sector; and coastal communities, including vulnerable groups (fishers, female-headed households, low-income households, the youth, the LGBTI+ community, persons with disabilities, etc.). Stakeholders will be further defined during project preparation. Before appraisal, the project will prepare, consult, and disclose a draft SEP proportionate to the nature and scale of the project and its associated risks and impacts consistent with ESS10. The SEP will have a Grievance Mechanism to ensure that all project-level complaints are received and resolved in a timely manner and will have channels to uptake and manage SEASH complaints in a confidential manner. The SEP will also address the requirements of meaningful consultations in contexts of IPs, consistent with ESS7. If necessary, the SEP will be updated within the timeframe of the ESCP.

ESS2 - Labor and Working Conditions

Relevant

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[Optional Explanation - Max. character limit 1,000]

The Project will likely include direct and contracted workers and no community workers. Primary supply workers will be determined during preparation. Government employees involved in project implementation will remain subject to the terms and conditions of their contracts unless there is an effective legal transfer of their employment to the Project - only paragraphs 17 to 20 (Protecting the Work Force) and 24 to 30 (OHS) will apply to them. To manage risks and impacts, the Project will prepare Labor Management Procedures (LMP), whose timeframe will be indicated in the ESCP. The LMP will have a dedicated Grievance Redress Mechanism (GRM) with channels to update SEA/SH-related complaints. The LMP will include a code of conduct for project workers, including provisions on non-discrimination and the prevention of SEA/SH. Because of the country context, risk of child labor is moderate, for which the client will apply measures consistent with para 17-19 of ESS2.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Optional Explanation - Max. character limit 1,000]

Works at the wastewater treatment plant are associated with potential sources of soil and water pollution, including from desludging, disposal of dried sludge, and construction and operation of anaerobic ponds. The expansion of the water supply system for North Placencia Peninsula may lead to withdrawal of significant quantities of groundwater. The installation of an anaerobic pond will lead to GHGs, which, if not properly managed, will result in increased emissions. During project preparation, the above issues will be further assessed, including any cumulative impacts, and the resulting TOR and E&S assessments will guide the formulation of detailed mitigation measures to address the impacts and in line with the WB EHS Guidelines and applicable national standards. Civil work will consider climate-resilient measures as guided by technically and financially feasible solutions.

ESS4 - Community Health and Safety

Relevant

[Optional Explanation - Max. character limit 1,000]

Civil works may generate noise, dust, odors, and pollution that could potentially impact community health. Other associated community health and safety risks may be related to groundwater quality, traffic disturbance, labor influx, and risks associated with waste separation and recycling activities. During operation of the solid waste and wastewater facilities, community risks include noise, odor, and vectors. The E&S assessments will assess risks to community health and safety and detail the corresponding mitigation measures. The assessments will also ensure that management systems are in place to ensure the safety of services, especially water supply, sanitation, and solid waste. Designs will also address universal access to be implemented where technically and financially feasible.

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

Relevant

[Optional Explanation - Max. character limit 1,000]

Civil works including wastewater treatment, water network expansion, sanitation, and waste management could imply moderate resettlement impacts (economic and physical displacement). During Project preparation, the Bank will further assess the potential for such an impact. The ESCP, where relevant, will require the Borrower to formulate, consult, disclose, and implement, before the start of works, Resettlement Action Plans proportionate to the nature and scope of the impact. Where resettlement impacts are identified, no construction activities will be undertaken

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before compensation is given to all displaced persons in accordance with the RAPs. The ToRs that will be developed during Project preparation to guide the formulation of the ESMPs will contain in its annex a guidance note and suggested table of contents for the formulation of RAPs, consistent with ESS5 and its Guidance note for borrowers.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

[Optional Explanation - Max. character limit 1,000]

ESS6 is Relevant because Belize City, San Pedro and Placencia are located in Key Biodiversity Areas. However, Project interventions are expected to positively impact biodiversity by promoting the overall health of coastal and marine ecosystems and strengthening policies in key blue economic sectors. Infrastructure works will mostly be in urban and peri-urban areas where significant impacts to biodiversity and habitats or living natural resources are not expected. The relevance of ESS6 will be further assessed and confirmed during project preparation and appropriate mitigation measures will be documented in the TORs and E&S assessments and plans.

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

Relevant

[Optional Explanation - Max. character limit 1,000]

Activities of Component 2 will not impact indigenous communities (IPs). However, the Standard is relevant because activities under Component 1 could have national scope, thus including IPs and requiring consulting them. A standalone Indigenous Plan will not be necessary; instead, the SEP will address the requirements of meaningful consultation in the context of IPs. The need for Free Prior and Informed Consent is not foreseen, as no Project activities will negatively impact IPs in terms of adverse impacts on IPs' land and natural resources, causing relocation from IPs' land and natural resources, and/ or on IPs' cultural heritage.

ESS8 - Cultural Heritage

Relevant

[Optional Explanation - Max. character limit 1,000]

At this stage of preparation, risks and impacts related to tangible and intangible cultural heritage have not been identified. However, the ToR for the E&S assessments will include requirements to assess possible impacts to cultural heritage. Since activities in Component 2 will involve excavations, chance find procedures will be included in relevant E&S mitigation measures and procurement documents considering the national legislation and the requirements under ESS8.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

The standard is not relevant to the Project.

B.2 Legal Operational Policies that Apply

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OP 7.50 Operations on International Waterways

Yes

OP 7.60 Operations in Disputed Areas

Yes

B.3 Other Salient Features

Use of Borrower Framework

No

[Optional explanation – Max. character limit 1,000]

None

Use of Common Approach

No

[Optional Explanation including list of possible financing partners – Max. character limit 1,000]

None

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Concept Stage PID – Max. character limit 5,000]

The Environmental and Social Risks Classification (ESRC) is Substantial at the Concept stage. Overall, the Project is expected to result in positive environmental and social outcomes. However, at the concept stage, the environmental risk rating is Substantial, and the social risk rating is Moderate. The key environmental risks include (i) soil, water, and air pollution that may result from desludging of facultative ponds and septage disposal; (ii) leakages and emissions of greenhouse gasses (GHGs) from the wastewater treatment plant upgrades; (iii) adverse impacts to water quantity and quality of groundwater systems in case water supply activities lead to significant water use; (iv) generation and disposal of hazardous waste; and (v) construction stage risks such as occupational health and safety (OHS), cultural heritage risks, and waste management. The main social risks of the project activities are (i) the social exclusion of the disadvantaged and vulnerable groups (fishers, women, female-headed households, low-income households, the youth, the LGBTI+ community, persons with disabilities, etc.) from the consultation and decision-making processes; (ii) transparency of stakeholder participation and public information disclosure; (iii) inadequately addressing and promoting environmental and social capacity building and institutional strengthening; (iv) labor influx, and (v) probability of economic and physical displacement caused by civil work. These E&S risks are likely to be temporary, short-term, and limited in extent and can be managed through routine preventive and mitigation E&S measures and by applying known technologies.

The Government of Belize will prepare appropriate assessments to manage the environmental and social risks. Prior to appraisal, the Borrower will prepare, consult, and disclose: (i) a draft Stakeholder Engagement Plan (SEP) with its Grievance Mechanism (GM) - The SEP will also address the requirements of meaningful consultations in contexts of IPs, consistent with ESS7, and for the implementation of activities under Component 1; (ii) draft LMP; (iii) draft terms of reference (ToRs) for the E&S assessments for Component 2 activities; and (iv) a draft Environmental and Social Commitment Plan (ESCP) which will be finalized during negotiations. During implementation, the Borrower will prepare E&S assessments for Component 2 activities, which will be reviewed by the Bank, disclosed for consultations, updated, and finalized. The outcome of the E&S assessments will be considered in project design and no activities will commence

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prior to having the appropriate assessments and mitigation measures in place. The ESRC will be reviewed regularly during preparation and implementation to reflect the project's risk level.

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?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 3,000]

Prior to appraisal, with the support of the WB Team, the Borrower will prepare:

1. A draft Stakeholder Engagement Plan(SEP) with is Grievance Mechanism.
2. Draft Terms of Reference for the environmental and social assessments under Component 2.
3. Draft Labor Management Procedures
4. A draft Environmental and Social Commitment Plan.

During the preparation phase of the Project, the WB team will support the client in:

1. Further assessing the E&S risks of the Project, including those related to ESS5 and ESS7, and identifying corresponding mitigation measures.
2. Self-assessment of the borrower capacity at the project level.
3. Assessing and adapting a GM adequate to the country's context.

During Project implementation, as part of implementing its ESCP within its timeframe, the Borrower will:

1. Formulate, consult, approve, and disclose ESIA's, site-specific ESMPs, in line with approved ToRs prepared during project preparation.
2. As needed, formulate, consult, approve, disclose, and implement Resettlement Actions Plan prior to the start of work that is causing resettlement impacts.
3. If needed, ensure that the SEP and its application apply the necessary requirements of ESS10 and ESS7 when consulting with IPs. If necessary, formulate, consult, disclose, and implement IPPs.

III. CONTACT POINT

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V. APPROVAL

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