



Concept 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)
Panama	LATIN AMERICA AND CARIBBEAN	P179771	
Project Name	Panama Partnership for Market Implementation		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy & Extractives	Investment Project Financing		5/1/2023
Borrower(s)	Implementing Agency(ies)		
Republic of Panama	National Energy Secretariat, Ministry of Environment of Panama (MiAMBIENTE)		

Proposed Development Objective

The proposed PDO is to support the Government of Panama to develop and pilot carbon pricing and mitigation instruments aligned with national development priorities, including the ATE, the PNRT, and the MNCP.

Financing (in USD Million)	Amount
Total Project Cost	2.00

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

No

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

Panama is not a significant GHG emitter (only 0.045% of global GHG in 2017). Yet, it has shown a strong commitment to strengthening its climate change regulatory framework and undertake important mitigation measures to reduce emissions. The National Energy Plan 2015-2050 sets out a long-term roadmap with the objective of building a more sustainable, resilient, and low-carbon energy sector. It lays out a strategy to curb GHG emissions in the short- and medium-term based on two main pillars: (a) the promotion of renewable energy use, and (b) the generation of savings by harnessing the available energy rationally and responsibly. Given its strategic position as a regional aviation



hub and as the primary point of maritime transport transit, Panama can play a catalytic role in curbing global GHG emissions through the production and distribution of green fuels for the international transport sector.

Additionally, the Government of Panama (GoP) has enacted legal instruments to create a solid foundation to study and develop carbon pricing instruments (CPI) and other mitigation policies, which this project will help design by supporting studies (including baselines, projections and modeling), institutional arrangements, rules and procedures, strategies, inter-ministerial dialogues, online registries, and communication campaigns. The project is aligned with the CPF pillars as it will support green growth, energy efficiency, climate justice, more economic opportunities for marginalized groups, and reduce fossil fuel dependence.

Under component 1, the project will support the implementation of Reduce Your Footprint National Program (PNRTH), Panama's low-emission development and climate transparency program, by financing studies and technological investments (limited to software development), and designing institutional arrangements and cooperation agreements.

Under component 2, the project will assist the implementation of Panama's National Carbon Market (MNCP) by establishing reduction objectives, selection of GHG gases, sectors and types of economic activities and organizations that would take part in the voluntary and mandatory phases. It will also finance the development of rules and procedures to operationalize Panama's Committee of Experts on Economic and Low-Emissions Development and support the piloting of the National Offsetting Mechanism of Panama (SNPC) that will enable the offsetting of emissions limits with certified units. Activities include supporting the certification procedures, online registration, and communications campaigns.

Component 3 will finance studies and the design of institutional arrangements to pilot energy efficiency and transport components of Panama's Energy Transition Agenda (ATE), including the National Energy Efficiency Certificates Program and the National Vehicle's Registration Program.

Component 4 will assist the GoP in the implementation and execution of a communication campaign and capacity development strategy for carbon pricing instruments.

Component 5 will finance project management aspects, including technical advice for all stages of project implementation.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Despite its high dependence on fossil fuels, Panama absorbs more GHG than it emits in a year. The GoP is committed to remaining a carbon sink by 2050. National emissions have risen by 110.7% from 1994 levels and the increase is attributed to the consumption of diesel and gasoline for transport and liquefied petroleum gas (LPG) in the residential sector. The largest emitters in the country are thermoelectric power generation companies, the Panama Canal, Minera Panama and the Institute of Aqueducts and Sewers.



The energy sector is the main GHG emitter with 62.9% of emissions in 2017. Energy industries (including electricity generation) are responsible for 19.7% of emissions within the energy sector. These emissions have risen by 75.4% since 1994, mostly due to an increase in electricity consumption and fossil fuels-based electricity generation. Transport-related emissions, which are included in the energy sector represent 51.8% of sectoral emissions. Transport emissions have risen by 265.1 % since 1994, contributing greatly to the sharp rise in overall energy emissions since the 1990s.

The Forestry and Other Land Use (FOLU) sector is the only sector with removal capacity and Panama's forest cover amounts to 65.40% of the national territory. Net removal in forest lands increased by 7.0% since 1994, propelled by stubble fields and secondary forest growth. Additionally, agriculture is responsible for 19.4% of GHG emissions and approximately 72.9% correspond to enteric fermentation. Moreover, the waste sector generates 10.7% of total GHG emissions and its contribution has increased by 166.0% since 1994, a result of population growth, which translates to more solid waste and wastewater.

In terms of international transport, most emissions derived from fuel consumption are generated by the maritime industry, accounting for 85.9% in 2017, but international air transport emissions are on the rise. Emissions resulting from fuel consumption for international air and maritime transport are not counted as part of Panama's national balance but are reported as an informative element in the national inventory reports. International air transport emissions have experienced a rise of 128.9% since 2010. During the same period, maritime-related emissions increased by 45.8%.

Lastly, Panama ranks 14th among the countries most exposed to multiple impacts of climate change according to land area.

D. 2. Borrower's Institutional Capacity

This project will be implemented by the GoP. The National Secretariat of Energy (SNE) will serve as the focal point and the Ministry of Environment (MiAMBIENTE) as the implementing agency through a Subsidiary Agreement between the Ministry of Economy and Finance (MEF), the SNE and MiAMBIENTE. The SNE, in coordination with MiAMBIENTE, will be responsible for the overall technical oversight and strategic direction of the Project. Project management, coordination, supervision, and monitoring of activities will be the responsibility of the Project Implementation Unit (PIU) which will be under MiAMBIENTE. The PIU within MiAMBIENTE will coordinate with other technical units within MiAMBIENTE and SNE, as well as with the Ministry of Agricultural Development (MIDA), National Maritime Authority (AMP), Ministry of Foreign Affairs (MIRE), MEF, the Ministry of Commerce and Industry (MICI), Panama Canal Authority (ACP), the Land Transit and Transportation Authority (ATTT), other government agencies, private sector stakeholders, including local communities' representatives, and other relevant actors for the implementation of the project. The project will design mechanisms to support coordination amongst the different agencies vis-à-vis environmental and social management. Although these mechanisms are not known at this stage of the Project, these will be clearly articulated in the Appraisal stage to decide on readiness for implementation.

MIAMBIENTE and SNE staff assigned to this project have no experience with the implementation of Bank-financed projects. Although MIAMBIENTE's personnel are specialized and have extensive experience in environmental and climate change topics, the project will require efficient coordination amongst the various public agencies involved, placing significant pressure on MIAMBIENTE's team. To meet the Bank's environmental and social (E&S) requirements, including stakeholder engagement, MIAMBIENTE will designate one environmental and one social specialist from their existing team to support the project and manage communications activities associated with the



project, to disseminate its objectives and generate trust and commitment among citizens and stakeholders around the project's activities and products, as required. The PIU will be constituted at effectiveness and one environmental specialist and one social specialist will be assigned to the PIU at this time. MiAmbiente will ensure that staff assigned to the Project will have sufficient time allocated to these tasks to carry them out.

Borrower capacity for social and environmental risk management will be further assessed during preparation and capacity building requirements, measures and timelines will be included in the ESCP. The Bank's E&S specialists will train the PIU on the application and requirements of the Environmental and Social Framework (ESF), including how the Environmental and Social Standards (ESS) will need to be taken into account in the drafting of the Terms of Reference (ToR) for the studies to be carried out within the scope of the project. The ESCP will include details on the types of training to be delivered, the resources available for delivery, and timeline for trainings, in particular for trainings that should be delivered early in project implementation. Capacity building activities during project implementation will be aimed not only at the PIU but will also target other agencies involved in the project through joint training opportunities.

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

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The environmental risk rating for the Project is considered Moderate. The project will support the GoP to research and pilot carbon pricing and mitigation instruments, all of which will advance the positive agenda of GHG emission reduction, potentially benefiting the Panamanian society at large. Project activities themselves are not expected to generate adverse environmental risks and impacts. However, the introduction and implementation of carbon pricing instruments and other mitigation policies as a result of project activities may have downstream effects that still need to be carefully studied. To better understand and address such potential downstream effects, the Client will prepare an E&S Risk Assessment focused on identifying the potential downstream risks associated with the implementation of proposed policies and instruments, together with a series of studies as part of its "just transition vision". Considering that the ESF is new to MIAMBIENTE and SNE staff working on climate, the complexity and novelty of carbon pricing instruments, the potential backlash from large emitters and consumers, and the multiplicity of sectors, agencies and stakeholders involved, the environmental risk rating is Moderate.

Social Risk Rating

Moderate

The project is not expected to involve physical works that may cause land acquisition or resettlements impacts, labor influx risks, community health and safety risks or impacts on cultural heritage. Design of the proposed policies and instruments are targeted at increasing modernization and competitiveness of industry, economic growth, and foster investments in green technologies. Although the Project will only finance the design of such policies and instruments and not their implementation potential downstream social risks and impacts associated with the implementation of such policies and instruments will be taken into consideration in the design phase, as they could adversely impact people, particularly poor and vulnerable households. Among these potential downstream negative impacts are the potential of higher energy prices, job losses and related income loss, among others, including the potential of social unrest as a result of such sectoral reform. At this stage, it is difficult to assess the extent of potential downstream risks and impacts that will result from the implementation of policies and instruments designed by the Project.



Potential social negative downstream effects will be further assessed during project implementation, through an E&S Risk Assessment, which will include high-level mitigation measures and recommendations that will be considered as part of the design of Project-financed policies and instruments.

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. The project will support the GoP to research and pilot carbon pricing and mitigation instruments by supporting studies (including baselines, projections and modeling), institutional arrangements, rules and procedures, strategies, inter-ministerial dialogues, online registries, and communication campaigns, all of which will advance the positive agenda of GHG emission reduction, benefiting the Panamanian society at large. Research and assessments supported by the project to develop the policies and instruments which will enable the GoP to design a voluntary carbon market and other CPIs, and at the same time establish a roadmap to transition into a mandatory compliance one in the future. As such, the project is expected to lead to long-term positive impacts on the environment due to GHG emission reduction; the extent of the reductions is yet to be confirmed and depends on the sectors and the size of the emitters involved in the future carbon market.

The proposed project activities entail the design of policies and instruments; they will neither finance nor support any civil works activities, nor the preparation of feasibility studies, technical or engineering designs, or other activities supporting the preparation or construction of physical infrastructure or support a future investment project. Therefore, proposed project activities are not expected to result in negative environmental or social impacts. However, downstream effects derived from the implementation of policies and instruments financed by the Project do have the potential of generating adverse social and environmental impacts. To ensure consistency with the ESF, all terms of reference (ToRs), work plans, or other documents defining the scope and outputs of the proposed project's activities, including consultancy work, training materials, knowledge exchanges and analytical work, will be prepared in a manner consistent with relevant Environmental and Social Standards (EASs).

With the information available at this time, it is difficult to fully assess the complete scope of potential downstream effects derived from the implementation of CPIs as a result of the project activities. For example, the potential low carbon/emission technologies that businesses may pursue as a reaction to CPI could bring about moderate to significant environmental implications depending on the type of industries, scale of investment, and sectors and technologies to be piloted in the future. Fuel switching using alternate cleaner fuel may bring more expensive options to industries and businesses and prompt the use of lower quality materials to compensate for the higher cost of products. Moreover, the introduction of CPIs could also have adverse impacts on the international competitiveness of the emissions-intensive trade-exposed sectors, and thus have economic and employment consequences. Finally, CPI implementation could also raise concerns and objections from private stakeholders from high-polluting industries and with a high political and financial capital. Therefore, it is essential to involve these stakeholders from early-on to ensure buy-in and limit conflicts during the piloting phase of the instruments. Higher energy prices, job losses and related income loss could disproportionately impact vulnerable groups. Skill diversification, retraining, and growth of



new and greener industries could be a part of the overall package of measures that are recommended to mitigate impacts as result of sectoral reform.

To better understand and address the potential downstream effects derived from the envisaged CPIs, the Client will prepare during Project implementation an E&S Risk Assessment. The assessment will examine potential downstream E&S risks and impacts (e.g., energy matrix, job loss, distributive effects, economic growth), and propose strategic, high-level mitigation measures and recommendations that will be included as part of the development of Project-financed policies, instruments and activities. The ToRs for the E&S Risk Assessment will be prepared and approved by the Bank by appraisal. The E&S Risk assessment shall be conducted, consulted and disclosed prior to launching procurement processes for Project-financed activities. The results of the assessment will inform the GoP's strategy and its climate "just transition vision" during the design and implementation phases of CPIs. Importantly, as part of component 2, and prior to adopting the CPIs, the Bank, as part of the Bank-executed activities under this Trust Fund, will conduct the following studies: (i) impact assessment for the application of GHG emission limits for organizations in high-emitting sectors; (ii) policy alignment study to avoid overlapping between mitigation and CPIs; and (iii) stakeholder mapping for assessment of distributive and other impacts and analysis and roadmaps for proposed GHG emissions limits options and compliance mechanism. The studies will provide special attention to potential impacts on GDP growth, job creation, distributional effects at the household level, and competitiveness of affected sectors.

Although the E&S Risk Assessment will analyze potential downstream effects of adopting and implementing policies and instruments resulting from Project-financed activities, potential new investments or industrial/technological developments that result from the policies and instruments financed by this Project and fostered by the GoP fall outside of the scope of the Project.

The client will prepare and disclose an ESCP prior to Appraisal, with a final version ready before finalizing Appraisal, which will detail those actions to be taken during implementation to ensure compliance with the applicable Environmental and Social Standards, including monitoring and reporting requirements.

Areas where "Use of Borrower Framework" is being considered:

None.

ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant. The Borrower will prepare, consult and disclose a Stakeholder Engagement Framework (SEF) during Project preparation and prior to Appraisal. The Project focuses on providing technical assistance to develop policies and instruments related to carbon pricing and mitigation instruments aligned with national development priorities. The reason of developing a framework-type document instead of a plan is that the SEF will provide a more strategic approach to ensure that Project-financed activities, when relevant, develop and incorporate, within their ToRs, the guidelines for specific participatory and consultation processes as part of the implementation of relevant Project-financed activities to ensure that stakeholders' feedback informs the development of Project outputs. Strategies identified in the SEF will serve to inform the Terms of References (ToRs) of Project-financed activities for development of policies and instruments by the Client. Example of Project-financed activities that will require the incorporation of consultation processes include, among others, support to the design of Panama's low-emission development and climate transparency program, development of procedures and institutional arrangements for a carbon market, the design of institutional arrangements to pilot energy efficiency and transport



components of Panama's Energy Transition Agenda, and the roadmap for a mandatory carbon market in the future. Given that policies and instruments to be designed by the Project vary significantly, each activity should have its own consultation process that identifies the relevant stakeholders, strategies and content for each activity, as established in the SEF. Requirements for the design and implementation of these consultation processes for each relevant activity financed by the Project will be included in the activities' ToRs, and should be in accordance with requirements under ESS10. There will not be a need to develop separate stakeholder engagement plans for each activity.

The SEF will include a pre-identification of those activities that will require the development of participatory and consultation processes. The SEF will also identify at a broad level potential stakeholders within government, the private sector (through sectorial national associations or guilds), academia and civil society groups, as well as an identification of potential vulnerable groups that might require specific strategies to be included in consultations, when relevant. The SEF will include a preliminary identification of relevant vulnerable groups that will be included in consultation processes depending on the activity. The SEF will describe consultation strategies during Project preparation and implementation, including methods that will be used to consult with the different stakeholder groups as part of the development of Project-financed activities. Outcomes from consultations undertaken during Project preparation will also be included, detailing how these were considered in the design of the Project and for the development of the SEF. Results from the consultation process undertaken during preparation will be included in SEF. The SEF will include a tentative timeline, resources, responsible personnel for its implementation, and guidelines for monitoring. Finally, the SEF will describe a Project-level Grievance Mechanism (GM).

For Project-financed activities that require a consultation process, the participation of Indigenous Peoples will be included, when relevant, and culturally appropriate mechanisms and strategies to engage Indigenous Peoples will be described in the Project's SEF. Such mechanisms and strategies could include the identification and engagement of Indigenous authorities, the use of existing consultation and decision-making platforms, considerations regarding language, use of accessible channels, and intersectionality to ensure the inclusion of vulnerable groups within IP communities.

As part of the preparation, the client will implement a targeted consultation process with a selected group of stakeholders, representative of the different groups, including government agencies, such as SNE, MiAmbiente, National Transport Authority, MEF, among others identified by the client, private sector associations, including the National Council of Private Enterprise (CONEP), union representatives within the transport and construction sectors, academia, and government and non-governmental organizations representing the interests of vulnerable groups, such as Indigenous Peoples, women and persons with disabilities, including the National Secretariat for Persons with Disabilities, the National Council for the Development of Indigenous Peoples, among others, to present the Project's design, share an early draft of the Project's SEF, and request feedback from stakeholders on aspects such as proposed Project components and activities, identification of other relevant stakeholders and consultation strategies and methods proposed, adjustments to the proposed grievance mechanism, and other risks related to potential exclusion of stakeholders.

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. The Project does not envisage any civil works. Project workers will include direct workers employed by MiAmbiente and assigned to the PIU, including consultants (individuals and firms), who will be working full-time or part-time for the project, to develop studies, strategies, guidelines, procedures and to provide advisory services, amongst others. The project will involve government civil servants working in connection with the project, who will remain subject to the terms and conditions of their existing public-sector employment agreements, unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to such government civil servants (except for the provisions relating to Protection of the Work Force and Occupational Health & Safety).

Requirements related to labor and working conditions, including worker wellbeing and health and safety, as well as a code of conduct acceptable to the World Bank to mitigate the risk of sexual exploitation and abuse (SEA)/sexual harassment (SH) or misconduct in the workplace or when engaging with stakeholders during consultation processes, will be incorporated into the ESCP and the Project Operations Manual (POM), in accordance with ESS2, which will be disclosed in the client's website. The POM and ESCP will also ensure that national labor-related laws are upheld related to public service and related human resource policies, labor law, and institutional roles related to enforcement of the laws, including recruitment, discipline, appraisals and dismissals. Among the measures to be included in the ESCP in relation to ESS2 include: (i) ensure Project Workers are employed based on the principle of equal opportunity, fair treatment and non-discrimination, no-harassment, and freedom of association; (ii) ensure that all Project Workers are provided with information and documentation that is clear and understandable regarding their terms and conditions of employment, rights under national labor and employment laws; (iii) ensure the adoption of OHS measures; (iv) adopt a code of conduct that sets out measures against practices related with sexual harassment, abuse and exploitation in the workplace, including the dissemination of the referral services available in the country to respond to such behaviors; and (v) prohibit child labor as well as forced labor per ESS2 requirements and applicable national laws.

Risks of forced or child labor are not foreseen for this Project. A separate Grievance Redress Mechanism for all workers employed or contracted under the Project will be established and maintained throughout the life of the project. Details for the workers GRM will be set forth in the ESCP and the Project Operations Manual. The POM will include a section describing the worker's GRM, channels to access this mechanism, procedures, and timeframes to address grievances from all project workers, including government contractors.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. Project activities will not finance any civil works or other activities which would generate pollution to air, water, and land, or consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. Yet, the envisaged CPIs would eventually facilitate GHG and local pollutant emission reductions and could lead to improvement in resource efficiency after the system is operationalized. The project will have no direct risk of significant adverse impacts on nearby communities or natural habitats from hazardous or toxic materials.

The downstream effects derived from the implementation of policies and instruments financed by the Project do have the potential of generating adverse social and environmental impacts. With the information available at this



time, it is difficult to fully assess the complete scope of potential downstream effects derived from the implementation of CPIs as a result of the project activities. To better understand and address the potential downstream effects derived from the envisaged CPIs, the Client will prepare an E&S Risk Assessment during Project implementation. However, potential new investments or industrial/technological developments that may result from the policies and instruments designed by this Project fall outside of the scope of the Project and are not subject to the ESF.

In addition, all terms of reference (ToRs), work plans, or other documents defining the scope and outputs of the proposed project's activities, including consultancy work, training materials, knowledge exchanges and analytical work, will be informed by the results of the E&S Risk Assessment and prepared in a manner consistent with relevant Environmental and Social Standards to ensure potential downstream effects are considered in the development of Project outputs.

ESS4 Community Health and Safety

This standard is relevant. Project activities will not finance any civil works or other activities which would create community health and safety issues or negatively impact ecosystem services. Yet, the envisaged CPIs would eventually trigger GHG and local pollutant reductions and could lead to improvement in resource efficiency after the system is operationalized. As such, the project is expected to lead to long-term positive impacts on the environment due to GHG emission reduction, improving air quality for Panamanians in general. However, the extent of the reductions is yet to be confirmed and depends on the sectors and the size of the emitters involved in the future carbon market.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is not relevant. The project does not involve any land acquisition or involuntary resettlement.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is not relevant. The project will not impact biodiversity or living natural resources. Project activities do not involve carbon sinks (forests).

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

This standard is relevant because Indigenous Peoples will be involved in Project activities.

As mentioned under ESS10, with the information available at this stage, Project-financed activities that will require a consultation process include those related to: (i) the design of Panama's low-emission development and climate transparency program; (ii) the establishment of the High-Level Commission on Sustainable International Transport; (iii) development of procedures and institutional arrangements for a carbon market; (iv) the design of institutional arrangements to pilot energy efficiency and transport components of Panama's Energy Transition Agenda; and (v) the roadmap for a mandatory carbon market in the future. For this activities, the participation of Indigenous Peoples will



be included, when relevant, and culturally appropriate mechanisms and strategies to engage Indigenous Peoples will be implemented, as described in the Project's SEF, under ESS10.

To better understand and address the potential downstream effects on Indigenous Peoples derived from the envisaged CPIs, prior to the development of ToRs for Project-financed activities, the Client will prepare an E&S Risk Assessment. This assessment will include an assessment of vulnerabilities of Indigenous Peoples in relation to Project financed activities, as well as examine potential downstream E&S risks and impacts particularly for Indigenous Peoples, and propose strategic, high-level mitigation measures and recommendations that will be included as part of the development of Project-financed policies, instruments and activities. ToRs for this assessment will be prepared and approved by the Bank by appraisal, as mentioned under ESS1, and its finalization and disclosure prior to launching procurement processes for Project-financed activities. The results of the assessment will inform ToRs for Project-financed activities which, when relevant, will incorporate pertinent requirements of ESS7.

ESS8 Cultural Heritage

This standard is not relevant. The project will not impact tangible or intangible cultural resources.

ESS9 Financial Intermediaries

This standard is not relevant. The project will not include any financial intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
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OP 7.60 Projects in Disputed Areas	No
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III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?	No
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Financing Partners

None.

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

Actions to be completed prior to Bank Board Approval:

- Develop and disclose draft ESCP prior to Project Appraisal and final ESCP prior to concluding Appraisal.
- Develop, consult and disclose a draft SEF prior to Project Appraisal.
- Develop, consult and disclose TORs for E&S Risk Assessment prior to Project Appraisal.
- Include labor requirements in the ESCP.



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

- E&S Risk Assessment will be conducted, consulted and disclosed prior to launching procurement processes for Project-financed activities.
- Budget, E&S staffing, and operational arrangement for ESF requirements.
- ESS2 requirements, including all relevant provisions such as a workers GRM and codes of conduct to be included in the Project Operations Manual.
- Timeline for preparing E&S Risk Assessment.
- Project GRM.
- E&S capacity building activities.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

03-Apr-2023

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Republic of Panama

Implementing Agency(ies)

Implementing Agency: National Energy Secretariat

Implementing Agency: Ministry of Environment of Panama (MiAMBIENTE)

V. FOR MORE INFORMATION CONTACT



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VI. APPROVAL

Task Team Leader(s): David Vilar Ferrenbach, Ines Perez Arroyo

Practice Manager (ENR/Social) Maria Gonzalez de Asis Recommended on 11-Jan-2023 at 12:44:43 GMT-05:00