

**Government of the State of Pernambuco
Secretariat of Water Resources and Sanitation
(*Secretaria de Recursos Hídricos e Saneamento –
SRHS*)**

**Brazil: Pernambuco Rural Water and Sanitation
Project – PROSAR [P180430]**

Negotiated

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

April 11, 2024

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The State of Pernambuco (the Borrower) will implement the Pernambuco Rural Water and Sanitation Project (the Project), with the involvement of the Secretariat of Water Resources and WSS (Secretaria de Recursos Hídricos e Saneamento - SRHS), Pernambuco Water and Climate Agency (Agência Pernambucana de Águas e Clima - APAC), Pernambuco Water and Sanitation Company (Companhia Pernambucana de Saneamento - COMPESA), as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the referred agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Loan Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure in accordance with the ESSs, and in a form and substance, and in a manner acceptable to the Bank. Once adopted, such E&S instruments may be revised from time to time with prior written agreement of the Bank.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower through the SRHS, and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and SRHS's Secretary. The Borrower shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	Submit six-monthly reports to the Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than 45 days after each reporting period ends.	SRHS APAC COMPESA
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and/or supervising firm, as appropriate.</p> <p>Subsequently, at the Bank's request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the Bank no later than 48 hours after learning of the incident or accident or no later than 24 hours after learning of cases of SEA/SH.</p> <p>Provide subsequent report to the Bank within a timeframe acceptable to the Bank.</p>	SRHS APAC COMPESA
C	<p>CONTRACTORS' REGULAR REPORTS</p> <p>Require contractors and supervising firms to provide monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts, and submit a summary of such reports to the Bank.</p>	Submit the summary of the contractor's regular reports to the Bank upon request or as annex to the reports to be submitted under action A above.	SRHS APAC COMPESA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ORGANIZATIONAL STRUCTURE a) Establish and maintain Project Management Unit (PMU) with qualified personnel and resources to support the management of the ESHS risks and impacts of the Project, with at least permanent support from 1 environmental specialist, 1 social and Stakeholder Engagement specialist; b) Indicate a focal point, within the SRHS structure, as responsible for managing the dam safety issue for the Project.	a) Establish PMU by the Project Effective Date as established in the Loan Agreement and subsequently maintain the PMU throughout Project implementation; b) Appoint a focal point until the Effective Date and maintain it throughout the implementation of the Project	SRHS
1.2	ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF) Disclose, adopt, and implement the final version of the Environmental and Social Management Framework (ESMF), for the Project, consistent with the relevant ESSs. Proposed activities described in the exclusion list established in the ESMF will be ineligible to receive funding under the terms of the Project.	Adopt and disclose the ESMF no later than 30 days after the Effective Date, and thereafter implement the ESMF throughout Project implementation.	SRHS APAC COMPESA
1.3	ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP) Ensure that the contracted entities/companies responsible for implementing works and renovations financed by the Project adopt and implement the Environmental and Social Management Plan (ESMP) as well as other guidelines and procedures included in the ESMF for adequate risk management and socio-environmental impacts, during its activities, when applicable and as established in the ESMF.	Formally adopt (making adjustments, when necessary) the ESMP before starting, and, as a condition for starting, the implementation of the interventions related to works and renovations. Once adopted, supervise and ensure the execution of the ESMP throughout the implementation of the Project.	SRHS APAC
1.4	MANAGEMENT OF CONTRACTORS Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures, the code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors, service providers and supervising firms. Thereafter ensure that the contractors, service providers and supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts.	As part of the preparation of procurement documents and respective contracts. Supervise contractors throughout Project implementation.	SRHS APAC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.5	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, studies (including feasibility studies, when applicable), capacity building, training, and any other technical assistance activities under the Project, including those related to strengthening and technical training for dam safety management, are carried out in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	Throughout Project implementation.	SRHS APAC COMPESA
1.7	<p>ACTIVITIES SUBJECT TO RETROACTIVE FINANCING</p> <p>a) Agree with the Bank on the methodology for evaluating and reporting on the environmental and social risk management procedures adopted during the execution of the activities proposed for retroactive financing that ensures the consistency of these procedures with the principles and requirements of the ESSs that are relevant due to the environmental and social risks and impacts of proposed activities.</p> <p>b) Conduct an ESHS due diligence audit of activities subject to retroactive financing using the methodology described in a) above, reflect such due diligence in a report, which shall also include any corrective action plans or measures identified in accordance with the due diligence, according to the ESSs. Subsequently, implement any action plans or corrective measures, as appropriate.</p>	<p>a) Methodology to be incorporated into ESMF.</p> <p>b) Submit a due diligence report whenever there is a request for reimbursement of expenses for activities subject to retroactive financing. Any corrective action plans or measures identified in such report must be implemented in a manner and timeframe acceptable to the Bank</p>	SRHS APAC COMPESA
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Adopt and implement the Labor Management Procedures (LMP) for the Project, including, <i>inter alia</i>, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct, behavioral standards (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.</p>	Adopt the LMP no later than 30 days after the Effective Date, and thereafter implement the LMP throughout Project implementation.	SRHS APAC COMPESA
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for project workers, as described in the LMP and consistent with ESS2.</p>	Establish grievance mechanism prior engaging Project workers and thereafter maintain and operate it throughout Project implementation].	SRHS APAC COMPESA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	ENVIRONMENTAL AND SOCIAL MANAGEMENT OF WORKS Establish and implement an ESMP for Project interventions associated with works and renovations, which defines – in proportionate manner to the E&S risks and impacts of these activities – preventive, mitigating and corrective measures to be adopted by the contractor(s) or other executors to prevent and control the socio-environmental impacts associated with the execution of the works (as relevant), in a manner consistent with the Project's ESMF and ESS 3. The ESMP must contain, at a minimum, adequate measures to address the following topics: management of hazardous and non-hazardous waste; control of noise and dust; handling of chemical products; signage and communication; and environmental and social supervision, monitoring and reporting.	Same timeline of action 1.3.	SRHS APAC
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Incorporate resource and energy efficiency and pollution prevention and management measures in the ESMP (as relevant, technically, and financially feasible), as Environmental and Social requirements for bidding processes and issuance of contracts and adopted in combination with other requirements set in the ESMF and in a manner consistent with ESS 3.	Same timeline of action 1.3.	SRHS APAC
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	COMMUNITY HEALTH AND SAFETY Assess and manage specific risks and impacts to the community arising from Project activities – with regards to, <i>inter alia</i> , the behavior of project workers, labor influx risks, vector and pest control, response to emergency situations, road safety, transportation of hazardous materials – and include mitigating measures in the ESMP to be prepared in accordance with the ESMF.	Same timeline of action 1.3.	SRHS APAC
4.2	DAM SAFETY Dams identified during Project preparation (Moxotó and Campos dams) a) Monitor and report to the Bank on the implementation of the safety plans for the Moxotó and Campos dams (both part of the PISF), specially, the implementation of the Emergency Preparedness Plans (EPPs), looking to verify compliance with the implementation schedule agreed with the Federal Water Authority (ANA); b) Monitor and report to the Bank on the implementation of the measures recommended in the periodic safety reviews prepared by the dams operators looking to verify their effective implementation according to the actions agreed with ANA and the Bank dam safety requirements..	Throughout the Project implementation, annually report on: a) The operational conditions of the EPPs of Moxotó and Campos dams; b) The implementation of the measures recommended in the periodic safety reviews and safety status.	SRHS APAC (supervision)

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.3	<p>DAM SAFETY Dams identified during Project implementation</p> <p>a) Implement dam safety procedures defined in the ESMF, aligned with ESS4 requirements, including activities screening procedures, and independent assessment of the safety condition of dams that may be related to the Project. Exclude from financing Project activities that may rely on existing dams that have serious safety issues or that require rehabilitation works;</p> <p>b) Develop and/or implement, as per the terms defined by the regulatory agency and in line with Bank requirements, safety plans (instrumentation, operation and maintenance and emergency action plans) for dams related to the Project belonging to the State.</p>	Throughout Project implementation.	SRHS COMPESA APAC (supervision)
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	<p>RESETTLEMENT POLICY FRAMEWORK</p> <p>Adopt and implement a Resettlement Policy Framework (RPF) for the Project, consistent with ESS 5.</p>	Adopt the RPF no later than 60 days after Project Effectiveness and subsequently implement the RPF throughout Project implementation.	SRHS
5.2	<p>RESETTLEMENT PLANS</p> <p>Adopt and implement a resettlement action plan (RAP) for each activity within the Project that requires a RAP, as established in the RPF, and in a manner consistent with ESS 5.</p>	Adopt and implement each RAP, ensuring that full compensation has been provided, displaced persons have been resettled, and moving allowances have been provided, before taking possession of the land and related assets.	SRHS
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	<p>BIODIVERSITY RISKS AND IMPACTS</p> <p>Adopt and implement appropriate measures to suppression of vegetation, restoration of vegetation cover, removal and rescue of flora and fauna – that are applicable for the appropriate management of risks to biodiversity, as provided for in the ESMF and included in ESMP of each intervention (as relevant and applicable), in a manner consistent with NAS 6.</p>	Same timeline of action 1.3.	SRHS APAC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	INDIGENOUS PEOPLES FRAMEWORK Adopt, and implement an Indigenous Peoples Planning Framework (IPPF) for the Project, in a manner consistent with ESS7.	Adopt the IPF no later than 60 days after Project Effectiveness and subsequently implement the IPF throughout Project implementation.	SRHS
7.2	INDIGENOUS PEOPLES PLANS Adopt and implement a Indigenous People Plans (IPP) for each activity within the Project that requires a IPP, as established in the IPPF - for cases where project activities may result in circumstances requiring free, prior and informed consent (FPIC), as defined in ESS 7.	Adopt any required IPP prior to the carrying out any activity that requires the preparation of such IPP, as set out in the IPFF. Once adopted, implement the respective IPP throughout Project implementation.	
ESS 8: CULTURAL HERITAGE			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS Adopt and implement measures for the appropriate management of Cultural Heritage, as part of the ESMP of each project intervention, in a manner consistent with the principles and guidelines set in the ESMF and in ESS8.	Same timeline of action 1.3.	SRHS APAC
8.2	CHANCE FINDS Describe and implement the chance finds procedures as part of the ESMP and contracts for construction and refurbishment civil works that involve excavation and earthworks, in accordance with the principles and requirements established in the ESMF and in a manner consistent with ESS 8.	Same timeline of action 1.3.	SRHS APAC
ESS 9: FINANCIAL INTERMEDIARIES			
This standard is currently not relevant.			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PREPARATION AND IMPLEMENTATION Adopt and implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include guidance on, inter alia, how to prepare specific Stakeholder Engagement Plans when the location of Project interventions is defined, how to provide stakeholders with timely, relevant, understandable and accessible information, and how to carry out consultations with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.	Adopt the SEP no later than 30 days after the Effective Date and thereafter implement the SEP throughout Project implementation.	SRHS APAC COMPESA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project stakeholders (including Indigenous Peoples and other disadvantaged and vulnerable social groups), at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	Establish the grievance mechanism no later than 30 days after the Effective Date, and thereafter maintain and operate the mechanism throughout Project implementation.	SRHS APAC COMPESA
CAPACITY SUPPORT			
CS1	<p>Provide the environmental and social team, and other members of the PMU and implementing agencies, as relevant, with training on:</p> <ul style="list-style-type: none"> • procedures for mapping and engaging stakeholders; • specific aspects of environmental and social assessment and management; • dam safety management • emergency preparedness and response • community health and safety. 	Periodically, throughout the implementation of the Project, holding the first session up to 90 days after the Project Effectiveness.	SRHS APAC COMPESA
CS2	Provide project workers with guidance on: health and safety at work, measures to counter sexual harassment, exploitation and abuse for Project workers and the appropriate behavior standards in relationships with the population in intervention areas.	Periodically, throughout the implementation of the Project, holding the first session up to 90 days after the Project Effectiveness.	SRHS APAC COMPESA