

6. Environmental and Social Action Plan (ESAP)

No.	Reference	Measure	Final output/deliverable	Expected completion dates
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Environmental and Social Management System (ESMS)	1. Develop the final, explicit, detailed, and specific ESMS for CM, to include: (i) policies; (ii) procedures for identifying, assessing, and managing possible environmental, social, OHS, and labor risks and impacts associated with each Project activity, as well as for its contractors and subcontractors; (iii) internal procedures for complying with the Environmental Management Program (EMP); (iv) organizational capacity and competence, with the definition of functions and assignment of responsibilities for the implementation of this ESMS; (v) protocols for emergency preparedness and response; (vi) methods or plans for the participation of key actors; (vii) external communication and grievance acceptance mechanisms; (ix) protocols for dissemination of information to the communities, decision-making, and training; (x) protocols for the evaluation and continuous improvement of the ESMS; and (xi) periodic audits and inspections with respect to environmental, social, and OHS requirements, applicable pursuant to Nicaragua's Law 217.	1. Copy of the updated ESMS of CM and DM	1. Twelve months after the first disbursement.
1.2	Environmental, Social, and Occupational Health and Safety Policy	1. Evaluate CM's environmental and social policy based on the IFC Implementation Manual and Toolkit and update or provide an environmental and social policy that takes the context and the needs of CM and/or the Project into account.	1. Evaluation report and copy of the environmental and social policy of CM and DM or the Project, if they are different	1. Six months after the first disbursement.
		2. Supplement the environmental and social policy with programs for monitoring execution and communications for all members at all levels of the organization.	2. Tests on implementation of the monitoring programs in execution and communications	2. Eight months after the first disbursement.

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		3. Create a mechanism to measure and communicate ongoing improvements in the implementation of CM's environmental and social policy.	3. Mechanism for measuring and communicating ongoing improvements	3. Eight months after the first disbursement.
1.3	Identification of Risks and Impacts	1. Identify and assess the impacts and risks of all new branches in CM's Expansion Program, taking into account greenhouse gas emissions, significant risks associated with climate change, and opportunities for adaptation.	1. Copy of the identification and assessment of impacts of all new branches in the Expansion Program of CM and DM	1. Thirty days before the start of construction on each new branch in the CM and DM Expansion Program, or up to 60 days after the date of the first disbursement when construction has already begun.
1.4	Environmental Management Programs (EMP)	1. For each new branch in the Expansion Program, develop a specific EMP for the construction phase, with the following measures: (i) an impact management program for the physical, biological, and visual environment to include mitigation measures for the impact of removing or moving earth; management of solid (hazardous and non-hazardous) wastes; emissions controls on polluting gases from machinery and construction equipment, disturbance of the environment due to increased generation of dust and noise; control of both industrial and domestic liquid effluents; (ii) an impact management program for the socio-economic environment to include social compensation measures for the communities/dwellings neighboring the Project; training for construction managers and workers on E&S and OHS topics; measures for inter-institutional coordination; and measures to ensure	1. Copy of the specific EMP for the construction of new branches in the CM and DM Expansion Program.	1. Thirty days before the start of construction on each new branch in the CM and DM Expansion Program, or up to 90 days after signing of the loan agreement when the branch is already in operation.

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		<p>safe and hygienic-healthy conditions for workers during construction.</p> <p>2. For each new branch in the Expansion Program, develop an EMP for operation and management (O&M) to include the following measures: (i) an Environmental Monitoring and Surveillance Program; (ii) a Comprehensive Solid and Liquid Waste Management Program emphasizing measures for environmentally-friendly storage and disposal of any waste that cannot be reduced, reused, and recycled, and providing special handling measures for hazardous wastes such as oils, grease, paints, solvents, medications, disinfectants, or any other special handling product used during O&M activities at CM's industrial complex, based on local environmental and health standards ; and (iii) an Occupational Risks Prevention Management Program.</p>	<p>2. Copy of the specific EMP for the O&M of the new branches in the CM and DM Expansion Program.</p>	<p>2. Thirty days before the start of operations at each new branch in the CM and DM Expansion Program, or up to 120 days after signing of the loan agreement when the branch is already in operation.</p>
1.5	Organizational Capacity	<p>1. Designate within CM's organizational structure an individual responsible for E&S issues and define the functions, responsibilities, and powers for implementation of the ESMS and guarantee adequate human and financial resources within the ESMS.</p> <p>2. Conduct an introductory training and update program at least once a year for all personnel responsible for the environment and OHS</p>	<p>1. Designation of staff responsible for environmental and social (E&S) matters for CM and DM</p> <p>2. Copy of the training and update program, as well as evidence of its implementation</p>	<p>1. Sixty days after signing of the loan agreement.</p> <p>2. Sixty days after signing of the loan agreement.</p>
1.6	Emergency Preparedness and Response	<p>1. Develop a specific EPRP for each new branch in the expansion program, defining the guidelines for action in response to different technological scenarios and incidents (e.g., spills, fires, and explosions, ammonia leaks, nonhazardous and hazardous materials spills, etc.) and natural events (e.g., fire, hurricanes or tropical storms, floods, tremors or earthquakes) and human events (e.g., civil disorders and armed conflicts) identified, which are evaluated as a whole in simulations throughout the year.</p>	<p>1. Copy of the specific EPRP of each new branch in the Expansion Program of CM and DM</p>	<p>1. Sixty days before the start of operations at each new branch in the Expansion Program of CM and DM, or up to 120 days after signing of the loan</p>

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		In addition, seek the certification of Emergency Brigades, with their members and proper training, in compliance with Technical Standards NTON 22 001-04 and NTON 22 003-10.		agreement when the branch is already in operation.
		2. Develop for each existing EPRP and those for the new branches in the Expansion Program a Training Plan and a Root Cause Analysis procedure for each major accident or fatality, as well as the description of the corrective actions necessary to minimize the risk of a recurrence.	2. Copy of the Training Plan and the Root Cause Analysis procedure for each EPRP	2. Ninety days after signing of the loan agreement.
1.7	Monitoring and Evaluation Indicators	1. Develop a compliance matrix with its set of key performance indicators that must be controlled and met in order to measure the effectiveness of the EMP and compliance with all the legal and contractual obligations of each existing branch and the new ones to be constructed in the Project, during the construction phase and during O&M. This compliance matrix should include (i) the competent authority that grants authorization or issues the permit/license; (ii) issue and effective dates; (iii) the individual responsible within CM for monitoring/compliance; and (iv) the communications and future compliance procedures.	1. Compliance matrix with list of key performance indicators of management and success, for existing branches and new branches to be built in the Project.	1. Ninety days after signing of the loan agreement.
1.8	Project's Compliance with Applicable Standards	1. Through an independent environmental and social consultant, periodically prepare a consolidated report for CM and DM on environmental, social, health and safety issues as well as on the status of compliance with the Environmental and Social Sustainability Policy of IDB Invest, Nicaragua's environmental, social, and OHS legislation, IDB environmental and social policies, and the IFC Performance Standards, including progress made on ESMS actions with regard to the established key performance indicators.	1. Periodic environmental and social compliance report for CM and DM	1. Annually during the life of the loan
1.9	Participation of Social Actors	1. Implement a Management Plan for Dialogue with Interest Groups in existing branches, incorporating the following: (i) differentiated measures to allow effective participation	1. Copy of the Management Plan for Dialogue with Interest	1. One hundred twenty days after

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		<p>of disadvantaged or vulnerable groups; (ii) a mechanism to ensure that the representatives of the community reflect the opinions of affected communities; (iii) details on how information is disclosed to interested parties; (iv) details on the participation process among the interested communities and how access can be gained to the grievance mechanism.</p> <p>2. Develop and implement for each new branch in the Expansion Program a Plan for Managing Dialogue with Interest Groups that includes: (i) analysis of social actors and planning of their participation; (ii) disclosure of information; (iii) complaints/claims mechanism; and (iv) provision of periodic reports to the community.</p>	<p>Groups at each existing branch of CM and DM.</p> <p>2. Copy of the Plan for Managing Dialogue with Interest Groups for new branches in the Expansion Program.</p>	<p>signing of the loan agreement.</p> <p>2. Thirty days before the start of operations at each new branch in the Expansion Program of CM and DM, or up to 90 days after signing of the loan agreement when the branch is already in operation.</p>
1.10	Extremal Grievance Mechanism for the Construction Phase	<p>1. Develop and implement an external grievance mechanism focused on key actors and communities and/or owners of neighboring lands affected or with some interest, within the Project's indirect area of influence, for the construction phase of new branches in the Expansion Program. This external grievance mechanism will include details on how claims or complaints are recorded, investigated, and evaluated and their follow-up and close or resolution process.</p>	<p>1. Copies of the external grievance mechanism for the construction phase for new branches in the Expansion Program.</p>	<p>3. Thirty days before the start of construction of new branches in the Expansion Program or up to 90 days after signing of the loan agreement when the branch is already in operation.</p>

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			2. Copies of evidence of its implementation in new branches in the Expansion Program	1. Progress report in each environmental and social compliance report.
1.11	External Grievance Mechanism for Operation and Maintenance (O&M)	1. Provide and implement an external grievance mechanism during O&M of new branches in the Expansion Program, including existing branches, to incorporate experiences and lessons learned from the construction phase.	1. Copies of the external grievance mechanism of new branches in the Expansion Program, including existing branches, for O&M	1. Thirty days before the start of operations in the new branches in the Expansion Program and 90 days after signing of the loan agreement, for existing branches.
			2. Copies of tests of its implementation in new branches in the Expansion Program, including existing branches.	2. Progress report in each environmental and social compliance report.
PS 2: Labor and Working Conditions				
2.1	Working Conditions and Terms of Employment	1. Develop and implement: (i) an employment procedure for workers contracted by third parties, in which the contracting and dismissal conditions are in accordance with local regulations and those of the International Labour Organization (ILO), including, at a minimum, rules for preventing child labor and forced labor; and (ii) procedures for performance management and monitoring of workers contracted by third parties	1. Copy of these procedures for CM and DM	1. Ninety days after signing of the loan agreement.
2.2	Internal Grievance Mechanism for the	1. Develop and implement an internal grievance mechanism focused on direct, contractors', and subcontractors' workers for the construction phase on the new branches in the Expansion Program. This internal grievance	1. Copies of the internal grievance mechanism for the construction phase on new	1. Thirty days before the start of construction on new branches in

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	Construction Phase	mechanism will include details on how claims or complaints are recorded, investigated, and evaluated and their follow-up and close or resolution process.	branches in the Expansion Program	the Expansion Program, or 30 days after the date of the first disbursement when construction has already begun.
			2. Copies of the tests of its implementation in new branches in the Expansion Program	2. Progress report in each environmental and social compliance report.
2.3	Internal Grievance Mechanism for Operation and Maintenance (O&M)	1. Provide an internal grievance mechanism during the O&M phase of the Project's new branches, including existing branches, that incorporates the experiences and lessons learned from the construction phase.	1. Copies of the internal grievance mechanism for O&M at the Project's new branches, including existing branches	1. Thirty days before the start of operations on new branches in the Expansion Program and 90 days after signing of the loan agreement, for existing branches.
			2. Copies of tests of its implementation at the new branches in the Expansion Program, including existing branches.	2. Progress reports in every environmental and social compliance report.
2.5	Workers' Safety and Health	1. Implement a Safety Plan for the Comprehensive Management of Ammonia, to ensure that the safety and management of ammonia complies with the country's safety regulations, the general standards of the World Bank Group Environmental, Health and Safety Guidelines and the International Institute of Ammonia Refrigeration	1. Copy of the safety plans for comprehensive management of ammonia at CM and DM	1. Sixty days after signing of the loan agreement.

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		(IIAR). This safety plan should include training, programmed simulations, and a proactive and regular communication plan for all employees and contractors, in coordination with the emergency response authorities and the involvement of communities that are very likely to be affected.		
2.6	Workers Contracted by Third Parties	<ol style="list-style-type: none"> 1. Develop an Outsourced Personnel Contracting and Service Delivery Policy that complies with the Labor Code and the ILO international conventions, and that allows CM to: i) ensure that its contractors who hire these workers are legitimate companies of recognized integrity and have an adequate environmental and social management system for operating in a manner consistent with the requirements of PS-2; ii) establish policies and procedures to manage and monitor the performance of these third party employers, through commercially reasonable measures incorporated in the contractual agreements; and finally, iii) to ensure that workers contracted by third parties have access to either the contractor's or the developer's grievance mechanism. 	<ol style="list-style-type: none"> 1. Copy of the Outsourced Personnel Contracting and Service Delivery Policy of CM and DM 	<ol style="list-style-type: none"> 1. Ninety days after signing of the loan agreement.
		<ol style="list-style-type: none"> 2. Establish a Training Program on the policy for implementation and disclosure to all CM personnel who contract for external services. 	<ol style="list-style-type: none"> 2. Copy of the Training Program on the Outsourced Personnel Contracting and Service Delivery Policy for CM and DM 	<ol style="list-style-type: none"> 2. Ninety days after signing of the loan agreement.
2.7	Supply Chain	<ol style="list-style-type: none"> 1. Establish the Principal Supply Chain Regulation Program to: (i) control and prevent risks or incidents of child labor or forced labor in compliance with legislation and international conventions to which Nicaragua is a signatory; and (ii) ensure that the main suppliers in the supply chain are taking measures to prevent or correct 	<ol style="list-style-type: none"> 1. Copy of the Principal Supply Chain Regulation Program of CM and DM 	<ol style="list-style-type: none"> 1. Sixty days after signing of the loan agreement.

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		situations that imperil workers' lives due to unsafe conditions in the handling/transport/storage of goods.		
PS 4: Community Health and Safety				
4.1	Fire Protection System	1. Provide certification of a qualified professional acceptable to IDB Invest, who verifies that the design of fire protection facilities in the new branches in the Expansion Program complies with the L&FS requirements of the IFC General Environmental, Health, and Safety Guidelines, that the design adheres fully to the international L&FS code and the NTON standards of Nicaragua.	1. Copy of the certification of the design of the fire protection facilities at new branches in the Expansion Program.	1. Thirty days before the start of construction on new branches in the Expansion Program or on the date of the first disbursement when construction has already begun.
		2. Provide the certification of a qualified professional acceptable to IDB Invest, who verifies that the buildings and installations considered in the Project are constructed in accordance with the previously approved L&FS design and that all L&FS devices were installed as designed and approved according to international requirements.	2. Copy of the certification of construction of fire protection facilities at new branches in the Expansion Program.	2. Thirty days before the start of operations at the new branches in the Expansion Program or up to 60 days after signing of the loan agreement when the branch is already in operation.
4.2	Road Safety	1. Develop a specific Road Safety Management Plan for each construction site for new branches in the Expansion Program, to include mitigation measures on possible impacts on the communities affected, particularly during the construction phase of expansions of infrastructure and future growth of the Project, but that also includes O&M and vehicular composition in the analysis.	1. Copy of the road safety management plan for each construction site for new branches in the Expansion Program	1. Thirty days before the start of construction on new branches in the Expansion Program or on the date of the first disbursement

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				when construction has already begun.
4.3	External Safety Protocols and Policy	1. Provide a copy of the contract between CM or DM and the security companies or companies for the industrial complex, to verify, among other aspects, the inclusion of conditions that allow for: (i) conducting reasonable investigations to ensure that security personnel do not have criminal backgrounds and have not participated in cases of abuse in the past; (ii) verifying details on training needed on the use of force; (iii) verifying restrictions on the use of firearms; and (iv) identifying details on training in the area of environmental awareness.	1. Copy of the contracts between CM or DM and the security company/companies	1. Ninety days after signing of the loan agreement.
PS 8: Cultural Heritage				
8.1	Cultural Heritage	1. Develop a Chance Finds Protocol for the performance of any additional work associated with the Project that requires excavation and/or removal of earth, adhering to the requirements of PS-8.	1. Copy of the Chance Finds Procedure of CM and DM	1. Thirty days before the start of any additional work associated with the Project that requires excavation and/or removal of earth or on the date of the first disbursement when construction has already begun.