**Document of the Inter-American Development Bank**



**SURINAME**

**FISCAL STRENGTHENING TO SUPPORT ECONOMIC GROWTH (FISEG)**

**PROGRAM**

**(SU-L1050)**

**Environmental and Social MANAGEMENT REPORT**

**(ESMR)**

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| **Abbreviations** | |
| DoTC | Department of Taxes and Customs |
| FISEG | Fiscal Strengthening for Economic Growth |
| OTA | Office of Tax Administration |
| NIMOS | National Institute of Environment and Development in Suriname |
| VAT | Value Added Tax |
| ESMR | Environmental and Social Management Report |
| ORA | Office of Revenue Administration |
| ESIA | Environmental and Social Impact Assessment |
| IDB | Inter-American Development Bank |
| ESHS | Environmental, Social, Health and Safety |
| PPP | Public Private Partnerships |
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| **ENVIRONMENTAL AND SOCIAL MANAGEMENT REPORT (ESMR)** | |
| **Operation Name:** | Fiscal Strengthening to Support Economic Growth Program (FISEG) |
| **Operation Number:** | SU-L1050 |
| 1. **Operation Details** | |
| **IDB Sector** | Reform / Modernization of the State |
| **Type of Operation** | LON - Loan Operation |
| **Impact Categorization** | Category B |
| **Disaster Risk Rating** | Medium |
| **Borrower** | Republic of Suriname |
| **Executing Agency** | Ministry of Finance |
| **IDB Loan US$ (and total project cost)** | IDB (OC): US$40,000,000  Total: US$40,000,000 |
| **Applicable Policies/Directives** | OP-703 (B.1, B.2, B.3, B.4, B.5, B.6, B.7. B.10, B.11, B.17); OP-102, OP-704, OP-761 |
| 1. **Executive Summary** | |
| Given the nature of the proposed intervention, and its location, it is anticipated that the environmental and social impacts and risks are likely to be mostly local and short term, for which effective mitigation measures are readily available. Therefore, a Category “B” classification has been assigned to the program in accordance with the IDB’s Environment and Safeguards Compliance Policy (OP-703). Additionally, as per the Bank’s Natural Disaster Risk Management Policy (OP-704) the Program has been assessed for disaster risks, which were categorized as “Medium”. According to OP-102 (Access to Information Policy), the fit for disclosure Environmental and Social Impact Analysis (ESIA) with Environmental and Social Management Plan (ESMP) was disclosed on the IDB (<http://www.iadb.org/en/projects/project-description-title,1303.html?id=SU-L1050>) and the Executing Agency websites (<http://www.gov.sr/ministerie-van-financiën/publicaties.aspx>) on March 24rd 2017. The ESIA is focused on the only infrastructure work of the "Construction and Operation of the Office of Tax Administration Building" component. The Bank will supervise the implementation of the environmental and social management and monitoring arrangements periodically during construction.  According to the ESIA and consultation with local stakeholders (meetings were held between 25 February and 27 March with primary stakeholders), there is a series of positive and negative environmental and social impacts and risks mainly associated with the proposed interventions in Component of physical infrastructure. The key environmental, social and health and safety (ESHS) direct, indirect and cumulative impacts and risk of the Program are related to construction of the OTA building complex. The most significant risks of the project are soil contamination during construction, water pollution during construction and operation; flooding risk of OTA building complex and risks related to Occupational Health and Safety during construction. The project does not include Involuntary Resettlement; Indigenous Peoples; Transboundary Impacts; Natural Habitats, Invasive Species and Cultural Sites.  The ESIA includes an ESMP to mitigate potential environmental and social impacts and risks. The ESMP is a guide that identifies relevant management measures, including Best Management Practices and Emergency Response Plans, based on potential impacts. For execution, the ESMPs will include amongst others; a waste management plan; a health and safety plan for construction; a specific flood disaster risk assessment, a disaster management plan, a plan for the demolition of existing buildings. Activity specific ESMPs will be developed and implemented by the construction contractors.  The executing agency will put into place the ESHS governance structure (environmental and social specialists) to ensure that the ESMP for the program is implemented adequately. The program includes special contractual environmental and social execution conditions which are established in Section 5 and Annex B of the ESMR. | |
| 1. **Operation Description** | |
| The objective of the program is to support Suriname’s efforts to return to a sustainable fiscal path in the medium term through an ongoing reduction of its fiscal deficit. This single investment loan operation includes various components and activities, from which this ESMR only analyzes Component 1 in its physical infrastructure subcomponent.  **Component 1** – **Strengthen revenue administration (US$22.5 million**). The objective of this component is to revamp the Department of Taxes and Customs (DoTC’s) institutional organization and support the government in implementing the VAT to improve tax collection. The component will finance some infrastructure works:  **Physical infrastructure:** includes the modernization of the new ORA physical infrastructure, refurbishing of service facilities, general telecommunication equipment, mail and power supply, and inspections equipment. The overall objectives of the proposed OTA and Customs Building Project are to: (1) centralize most of the services of the Tax Administration to improve its effectiveness, and (2) accommodate the customs in a new facility that meets the requirements for improving their services.  The area in which the buildings will be constructed is about 1.15 ha and is a government owned land that had previously been used as a naval base. Nowadays, the site contains several buildings belonging to the Suriname Port Management Company. This urban area is abutting to the Suriname River, which forms its eastern border. In the south, the site is adjacent to a vacant land, with the Wijdenbosch bridge at approximately a distance of 250m and the Beekhuizen residential area at a distance of 300 m. The land where the new building will be built remains the property of the government.  The site is bordered to the west by the Van‘t Hogerhuysstraat. This street has many commercial establishments on both side of the road, and the Abrabroki residential area is located nxt to it. To the northwest, the site is bordered by the Nieuwe Havencomplex with mainly commercial establishments (Annex C: Figure 1 & Figure 2). The site is accessible by road, but may also be reached from the Suriname River by boats. However, currently there are no mooring facilities.  The office complex will consist of 2 separate sections of buildings, one section for the Customs and the other one for the Office of Tax Administration, constructed in an area of approximately 2 ha. Since about 800 people will work in the office complex, the only option is to have multi-storied buildings. Therefore, three-stories buildings will be constructed with the possibility to extend to 4 to 5 stories, totaling a gross floor surface of approximately 12,000m2. A parking lot will also be included. As the project area is situated on the coastal plain where soil predominantly consists of clay, pile driving will be necessary.  **Component 2 – Strengthen the PFM (US $10.3 million).** The objective of this component is to support the government in strengthening the budget decision-making process regarding planning, execution and monitoring.  **Component 3 – Strengthen the public investment system (US $3.2 million).** Theobjective of this component is to support the government’s public investment strategy to prioritize and rationalize investment projects based on Value for Money (VfM). This component will finance: (i) the design and establishment of a Public Investment and PPPs Unit including the business model and a management system and; (ii) implementation of an operational plan and funding for planning, pre-investment and feasibility studies in infrastructure and PPPs.  **Program Administration (US$1.8 million)**: This category includes the personnel and other recurrent costs required for supporting the program’s administration in its implementation period. In addition to environmental and social monitoring, it includes auditing costs and monitoring and evaluation activities.  The program execution period is five years, while the execution of the infrastructure component will take three years. | |
| 1. **Key Impacts, Risks, and Mitigation Measures** | |
| **Assessment Requirements**  OP-703 (Environment and Safeguards Compliance Policy): B.3 (Screening and Classification), B.4 (Other Risk Factors), and B.5 (Environmental Assessment and Plans Requirements) | |
| The Ministry of Finance with IDB funds contracted consultants to conduct an Environmental and Social impact Assessment (ESIA) and an Environmental and Social Management Plan (ESMP).  Acording to the directive B.3 the operations was classified as Category B because is likely to cause mostly local and short-term negative environmental and social impacts, for which effective mitigation measures and standard procedures, know-how, and skills for the design of the mitigation measures are readily available and implementable.  The ESIA identified the need for strengthening the environmental and social management capacity of the executing agency . Before the start of the works, the executing agency must comply with local and national environmental and social regulations for construction.  The ESIA includes the description of the characteristics of the physical environment, identification and analysis of expected environmental and social impacts, mitigation measures, applicable environmental policies and standards, stakeholder consultation requirements, project flood risks, analysis of Project alternatives. Also establishes the need for an ESMP to develop the necessary plans for an adequate management of the environmental and social issues of the project, Flood Risk Assessment for the project and demolition plan for existing buildings. The ESIA is aligned with the bank's safeguards requirements, and the ESIA is a requirement of the local government for the execution of the work, so that with the completion of the study, the requirements of both the Suriname government and the IDB are met.  The project does not trigger OP-710 Involuntary Resettlement and OP-765 Indigenous People Policies as well as OP-703 Directives B.8 Transboundary Impacts; B.9 Natural Habitats, Invasive Species and Cultural Sites. | |
| **Consultation**  OP-703 (Environment and Safeguards Compliance Policy): B.6 (Consultation); and Consultation requirements of OP-710 (Involuntary Resettlement Policy), OP-765 (Indigenous Peoples Policy), OP-761 (Gender Equality in Development Policy), and OP-704 (Disaster Risk Management Policy) as applicable | |
| During the Environmental and Social Assessment, several stakeholders were informed and their concerns about the new construction heard. The social expert involved identified primary and secondary stakeholders based on their potential interest in the project. Stakeholder meetings were held between 25 February and 20 March with primary stakeholders. An additional meeting was done on March 27. The objective of the meetings was to provide details related to the project and to receive feedback about issues which can guide the study team to assess the project and find effective and efficient solutions in executing this project.  Primary stakeholders were contacted by email with a formal letter from the Ministry of Finance and an information sheet. Once an appointment was made, the study team (and assistant) interviewed the stakeholders. The interviews started with an explanation of the project’s scope, after which the study team discussed environmental and social issues with a set of predetermined questions. Stakeholders were asked to explain their activities in the area, the potential impacts of the new construction on these activities, as well as in the wider area (study site), and potential solutions to identified concerns.  The nearby residential areas, Beekhuizen and Abra Broki, were separately studied by the Social experts. For this purpose, the team developed a qualitative survey instrument to better understand the characteristics of the neighborhood – quality of living, safety, mobility, and services, and the residents’ perception about the new building construction. Individual stakeholders were interviewed and the main themes were extracted and listed under the thematic issues below.  Secondary stakeholders were informed with an information sheet developed by the Social expert. The study team delivered the information sheet to the physical address of these stakeholders. Secondary stakeholders could provide feedback by contacting the study team for questions, suggestions and comments by telephone or email. Until submission of this report, the team didn’t receive any input from secondary stakeholders.  The result of the consultation of stakeholders is a valuable contribution. The interested parties raised several issues primarily related to:   * Health and safety: The ministry of labor will conduct inspections during construction, consider that cranes and crane operators need to be inspected when used for construction. * Site Selection: There was uncertainty at the Ministry of Public Works about the legal status (private/public) of the current site that has been selected for the proposed construction of the only access road -Abbatoirweg- to the site. However, field observations demonstrate that a security post, lever and signpost are present, indicating the road is a private road. * Physical planning: The new construction will also restrict further planned expansion of the port and the area is unsuitable for a large office complex for 800-900 employees providing services to the general public. * Traffic: Currently the Abattoirweg is the only access road to the selected site. The road is narrow (6m) and not designed to capture much traffic. During construction, a lot of external transport trucks and heavy equipment will use the access road which may be challenging to the current users. Alternative roads will be necessary to regulate the traffic. The Ministry of Public Works, the Road Authority and the Ministry of Justice and Police (Traffic Police) need to be closely involved in the project design phase. * Construction of buildings: Since the site is located close to the river and pile-driving is necessary for the construction, a thorough study on the groundwater levels and geotechnical study /soil composition should be done before starting with the design phase. It is expected that significant construction waste will be generated during construction. Waste management should be planned carefully. It is recommended that the wastewater flow be directed to the Suriname river. * Security: Residents of Abra Broki and Beekhuizen have no concerns about safety associated with the influx of construction workers. * Risk of natural disaster: For the project the risk of natural disasters that has been identified is that of flooding from the Suriname River. As a mitigation measure the creation of a sheet piling curtain at the river bank will be necessary to intercept the water flow from the river, For other disaster types, like hurricanes, earthquakes, tsnunami, the risk is considered to be low.   The consultation process was carried out under the same conditions for men and women, the opinions of the participants were considered regardless of gender or social status. Employment opportunities for women should be included during construction. | |
| **Information Disclosure**  OP-703 (Environment and Safeguards Compliance Policy): B.5 (Environmental Assessment and Plan Requirements);  OP-102 (Access to Information Policy) | |
| According to OP-102 (Access to Information Policy), the ESIA draft was disclosed on the IDB and the Executing Agency websites on March 23rd 2017. Minor adjustments will be made in a new version to be uploaded on April 3th, 2017.  The ESIA is focused on the only infrastructure work of the "Construction and Operation of the Office of Tax Administration Building" component. It also includes an ESMP to develop the necessary plans for an adequate management of the environmental and social issues of the project, in addition, develops plans of response to emergencies and risks of natural disasters. The social implications include the discrimination of vulnerable groups. The ESIA was performed in accordance with the IDB safeguards Policy OP-703 and complies with the requirements of the environmental and social regulations of Suriname. | |
| **Environmental and Social Impacts and Risks**  OP-703 (Environment and Safeguards Compliance Policy): B5 (Environmental Assessment Requirements), B11 (Pollution Prevention and Abatement). | |
| The potential risks and negative impacts for this operation are related to the construction and operation stages of the new building and the one that will be rehabilitated to accommodate the Public Expenditure Division. Below is a list of the most significant and relevant impacts identified in the ESIA.  **Environmental impacts and risks:**  **Contamination of soil resources:** Leaks and spills from vehicles, machinery and handling of potential pollutants during the construction and operations phases of the proposed OTA Building Project may potentially contaminate soil resources. The implementation of the recommended mitigation measures would result in a reduced likelihood of the impact occurring and a shorter impact duration (as spills would be cleaned up immediately). **Air and Noise Pollution.** Noise and air pollution impacts are anticipated to be temporary during construction and operation. Adherence to best management practices such as work performed only during daylight hours will lessen overall impacts. **Noise and vibration impacts:** It is expected that the impact will be temporary (at most for the duration of the construction phase, although not all construction phase activities will generate the same level of noise), and will be localized. The intensity of the potential impact is rated as high, due to the uncertainties around the noise-generating activities on site and the potentially very intrusive noise generated by piling activities. The potential impact of noise on surrounding communities during the construction phase is therefore assessed to be of moderate effect.  **Water Resources:** Potential increased turbidity and sedimentation in the Suriname River during the construction phase: The potential impact of increased turbidity and sedimentation in the Suriname River during the construction phase of the project therefore is assessed to be minor. Good housekeeping practices (ex. piling of sand and gravel) during the construction phase would further limit any effects of this impact. Potential contamination of the Suriname River through storm-water discharge: The potential contamination of the Suriname River through storm-water discharge during the construction phase therefore is assessed to be very low. Potential contamination of groundwater resources: The potential impact of contamination of groundwater resources to be minor. **Waste Water:** The impacts on the wastewater coming from the construction phase as well as from the operation are minor, the waste water during the construction will not have significant impacts since its handling will be done considering portable toilets and authorized manager; For the operation phase the wastewater will be connected to the existing sanitary system.  **Impacts from solid waste:** During construction, a lot of waste will be generated. Construction waste may be generated from site clearance, landscaping, demolition of existing buildings and road works. In addition, packaging materials, disposable (kitchen) material from the workers, etc. will also be produced at the construction site. During the operations phase, it is expected to have more office waste, such as papers, disposable material, spent batteries, etc. Waste recycling possibilities are still limited in Suriname. Therefore, more than 95% of the generated waste will be disposed of in the public landfill at Onoribo. The impacts from solid waste are considered to be minor during both the construction and operations phase.  **Flooding Risk:** For the location of the project near to the Suriname River (Next to the banks of the Suriname river), the proximity to the sea (approximately a distance of 15 km) and the climatic conditions of Suriname, the flooding is a potential high risk to the project but the impact is medium for the OTA building complex. As a mitigation measure the creation of a sheet piling curtain at the river bank will be necessary to intercept the water flow from the river. Moreover, the OTA building complex (both construction and operation phase) should be provided with a pump system that can pump excessive water to the river. Although potential impacts through other natural disasters such as hurricanes, earthquakes and/or tsunamis would be severed, the probability of their occurrence in the project area has been assessed as low.  **Risks related to demolition:** As the project contemplates the demolition of existing buildings in the place where the new building will be built, the main risks of ESHS during this activity are related to the health and safety of workers and the community, generation of dust, generation of rats and insects, poor management of debris resulting from demolitions, and the spread of diseases by incepts and rats from the demolition activity. A demolition plan must be carried out prior to the start of the demolition of existing buildings, this plan will contemplate mitigation measures for the control of ESHS risks to the health and safety of workers and mitigation measures for the control of pests and prevention of the spread of diseases by rats and incepts  **Social impacts and risks:** Labor and Working Conditions: The ESMP will stimulate good working relations and fair treatment, an indicator of a better quality of life at the job site. **Grievance Redress Mechanism:** During construction, workers are expected to work in a good environment: Different activities will be realized at the same time. Violation of regulations of working conditions and hours, as well as unexpected change in environmental or social conditions on site may result in grievances both from workers and the community. All grievances will be handled by an appointed Project Management Unit (PMU)[[1]](#footnote-1) in a 5-day process, as follows: (i) Uptake of grievance and registration in database (1 day); (ii) Research (2 days); (iii) Generate solution (1 day); (iv) Discussion of solution with complainant (1 day) and (v) Implementation and monitoring of solution (ongoing).  **Occupational Health and Safety:** The construction-related occupational health and safety risk of hazards is expected to be high. The overall impact is categorized as high thus occupational hazards could be causing serious injuries and/or death. The implementation of recommended management measures (in compliance with the local health and safety laws and regulations) would reduce the probability of a health and safety injury. The overall impact then becomes minor.  **Community Health and Safety:** Traffic and traffic-related accidents: The potential impact is long term. The effect is expected to expand to all main roads in the area – until Poelepantje in the West, Latourweg in the South, Downtown in the North (outside the study area). The impact can be overall categorized as major. The implementation of recommended management measures would reduce the intensity of traffic and traffic related accidents. The overall impact then becomes moderate. **Parking**: Currently, the parking in the Nieuwe Haven is already problematic; The impact of the new buildings on parking will be persistent over the coming years. The overall effect is categorized as minor. | |
| **Noninvestment Lending and Flexible Lending Instruments**  OP-703 (Environment and Safeguards Compliance Policy): B.13 (Noninvestment Lending and Flexible Lending Instruments) | |
| N/A | |
| **Livelihoods and Resettlement**  OP-710 (Involuntary Resettlement Policy) | |
| N/A | |
| **Indigenous Peoples**  OP-765 (Indigenous Peoples Policy) | |
| N/A | |
| **Gender Equality**  OP-761 (Gender Equality in Development Policy) | |
| The proposed health and security program during construction will include measures, standard in construction contracts, to avoid uneven introduction of unpaid work or payment gaps, or increased risk of gender based violence. The stakeholder’s consultations offer an opportunity for equitable participation of women and men. For the construction phase the workers, contractors and subcontractors will be hired based on the existing labor rights policies (gender inclusion and equal treatment of workers). Although existing jobs are currently distributed between women and men according to the pre-employment allocation, for the new potential jobs that arise in the new building, the allocation for men and women must be equitable and in the bidding documents for the construction of the building should be included as part of the contract the participation of women in the construction activities at a percentage of 25%. | |
| **Disaster Risk Management**  OP-704 (Disaster Risk Management Policy) | |
| The disaster risk for the project has been defined as medium. Due to the location of the project near to the Suriname River, the proximity to the sea and the climatic conditions of Suriname, the flooding is a potential high risk to the project but the impact is medium for the OTA building complex. In the ESIA have been established as a mitigation measure the creation of a sheet piling curtain at the river bank will be necessary to intercept the water flow from the river. Moreover, the OTA building complex (both construction and operation phase) should be provided with a pump system that will be able to pump out excessive water to the river. Prior to the Execution of the infrastructure component, a specific flood disaster risk assessment shall be carried out, the mitigation measures shall be established on the risk of flooding for the construction and operation phase and a disaster management plan shall be defined. Other disaster risks, as Hurricanes, Earthquakes, Tsnunami, are low.  The project site is located approximately 15 km upstream of the river mouth on the river‟s western bank, just downstream of the Jules Wijdenbosch bridge. The river width in this section is about 920 m at the bridge. The project site is located on the Young Coastal Plain in an area classified as River Landscape, surrounded by marine sediments of the Kwatta Landscape. The River Landscape consists of tidal clayflats, i.e. an old tidal flat at approximately 1.5m above mean sea level (amsl) and a younger tidal flat (at 1-1.2m amsl), which is inundated during very high tides. | |
| **Supervision**  OP-703 (Environment and Safeguards Compliance Policy): B.5 (Environmental Assessment and Plans Requirements) and B.7 (Supervision and Compliance)  OP-710 (Involuntary Resettlement Policy)  OP-765 (Indigenous Peoples Policy)  OP-704 (Disaster Risk Management Policy)  OP-761 (Gender Equality in Development Policy) | |
| The ESIA establishes the Environmental and Social Management Plan (ESMP) – these plans allow for a system whereby mitigation and monitoring of environmental and social impacts is integrated with project implementation. The IDB will stipulate in the Loan Agreement that the proposed Project Execution Unit include environmental and social staff. The Ministry of Finance will be responsible for developing the Environmental and Social Management and Monitoring Program, and ensuring that the project complies with the ESMP. It is the obligation of Ministry of Finance together with any Contractors or Subcontractors to develop and comply with all the requirements and stipulations identified therein. Acceptance of the Construction ESMP reiterates the commitment by Ministry of Finance to minimize and prevent environmental effects to the extent possible while ensuring human health and safety. Ultimately, the Contractor accepts the conditions of the ESMP to construct the project according to the ESMPs provisions in order to maintain environmental compliance. The Contractor will identify and assign roles and responsibilities for project environmental management.  The Bank will supervise the implementation of the environmental and social management and monitoring arrangements periodically during construction; if possible by the nature of the Project some visits could be made. | |
| 1. **Legal Requirements** | |
| In order to meet the requirements of the Bank’s Environmental and Social Safeguard Policies for the Program, the Borrower, directly or through the Executing Agency, will comply to the satisfaction of the Bank with the ESHS terms and conditions summarized below, which are to be contractually required in the Loan Agreement as detailed in **Annex B hereto**. These terms and conditions can only be modified with the prior written consent of the Bank, including clearance by ESG.   1. **Summary of ESHS Contractual Terms and Conditions** 2. **Special Conditions of Execution:** Prior to the Issuance of Tender for the project: present evidence that the contract bidding documents for the project include ESHS requirements aligned with the ESIA and ESMP requirements and the IDB will stipulate in the Loan Agreement that the proposed Project Execution Unit include environmental and social staff. 3. **Prior to the Execution of Component / Infrastructure:** Present to the Bank for its non-objection, the ESHS plans for construction of project, a specific flood disaster risk assessment and a defined disaster management plan. In addition, the Executing Agency shall: hire environmental and social specialists for the project construction and obtain legal rights to the land, environmental permits, legal authorizations and licenses of the land where the new building will be constructed. 4. **During the life of the Loan:**     1. Comply with the following ESHS requirements: (a) the Bank's ESHS safeguards policies and their implementation guidelines; (b) the ESHS requirements established by the current national legislation of Suriname; and (c) the ESHS Plans, including any applicable Corrective Action Plans (CAP);    2. Ensure that each contractor, operator or any other Person performing Project related activities complies with the requirement’s in this subsection; and    3. Comply with notices, monitoring, reporting and supervision ESHS requirements, all as detailed in Annex B hereto. | |
| 1. **Summary of Compliance with IDB Safeguard Policies** | |
| See overleaf. | |

**Annex A. Summary of Compliance with IDB Safeguard Policies**

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| **Policies / Directives** | **Applicable Policy / Directive Aspect** | **Compliance Status and Rationale with Policy / Directive Requirements** | **Requirements / Actions / Plans** |
| **OP-703 Environment and Safeguards Compliance Policy** | | | |
| B.2 Country Laws and Regulations | The Bank will require the borrower for that operation to ensure that it is designed and carried out in compliance with environmental laws and regulations. | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | Condition Prior to the Issuance of Tender for the project: The Executing Agency has presented evidence that all environmental and social permits required by the national legislation were issued by the pertinent authorities. |
| B.3 Screening and Classification | All Bank-financed operations will be screened and classified according to their potential environmental impacts. | Full compliance achieved. Program has been categorized as “B”. | Comply with all the requirements for a Category B operation. |
| B.4 Other Risk Factors | Governance capacity of executing agencies/ borrower. | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | Prior to the Execution of Component / Infrastructure: The EA has presented evidence that it has hired the environmental and social specialists for the project constructions and has obtained the permits, legal authorizations and licenses of the land where the new building will be built. |
| B.5 Environmental Assessment and Plans Requirements | Preparation of Environmental and Social Assessments and associated management plans and their implementation are the responsibility of the Borrower. | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | The final ESIA will be disclosed on the Bank’s website.  Condition Prior to the Issuance of Tender for the project: The Executing Agency has presented evidence that the contract bidding documents for the project include ESHS requirements aligned with the ESIA and ESMP requirements and the IDB will stipulate in the Loan Agreement that the proposed Project Execution Unit include environmental and social staff  Prior to the Execution of Component / Infrastructure: Present to the Bank for its non-objection, the ESHS plans for construction of project, a specific flood disaster risk assessment and a defined disaster management plan. |
| B.5 Social  Assessment and Plans Requirements |
| B.6 Consultation (including consultation with affected women, indigenous persons, and/or minority groups) | Meaningful consultations with affected parties. | Compliance achieved and achievable through specific conditions established in legal documentation for actions over a defined period. | The ESIA presented a summary of the consultations of the key stakeholders of the project and the results will be published, within the framework of compliance with policy OP-102. |
| B.7 Supervision and Compliance | Safeguard requirements, must be incorporated into the project contract documents, its operating or credit regulations, or the project bidding documents, as appropriate, setting out as necessary milestones, timeframes and corresponding budgetary allocations to implement and monitor the plan during the course of the project. | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | The EA has presented evidence that it has put into place the ESHS governance structure (environmental and community specialists) and has the resources required to implement the ESHS requirements. |
| B.8 Transboundary Impacts | N/A | N/A. Program is not taking place in a transboundary area. | N/A |
| B.9 Natural Habitats | N/A | N/A. Program is not taking place in critical natural habitats or that damage critical cultural sites. | N/A |
| B.9 Invasive Species | N/A | N/A. Program is not taking place Invasive Species. | N/A |
| B.9 Cultural Sites | N/A | N/A. Program is not taking place in a cultural site. | N/A |
| B.10 Hazardous Materials | Avoid adverse impacts to the environment and human health and safety occurring from production, procurement, use, and disposal of hazardous material, including organic and inorganic toxic substances, pesticides and POPs. | Compliance achievable through specific conditions established in legal documentation for actions over a defined period. | Conditions Prior to the Start of Construction of the project: The ESHS plans for construction of the project, includes a Waste Management Plan, and Health and Safety Plan for construction. |
| B.11 Pollution Prevention & Abatement | Bank-financed operations will include as appropriate, measures to prevent, reduce or eliminate pollution emanating from their activities | Compliance achievable through specific conditions established in legal documentation for actions over a defined period. | Conditions Prior to the Start of Construction of the project. The ESHS plans for construction of the project, includes a Waste Management Plan, Noise and Air Quality Monitoring Plan. |
| B.12 Projects under Construction | N/A | N/A | N/A |
| B.13 Noninvestment Lending and Flexible Lending Instruments | N/A | N/A. Program is not a noninvestment loan or flexible instrument | N/A |
| B.14 Multiple Phase and Repeat Loans | N/A | N/A. Program is not a multiple phase or repeat loan. | N/A |
| B.15 Co-financing Operations | N/A | N/A. Program is not being co-financed. | N/A |
| B.16 In-Country Systems | N/A | N/A. In-country environmental and social systems are not being used. | N/A |
| B.17 Procurement | Suitable safeguard provisions for procurement of goods and services incorporated into project-specific loan agreements, operating regulations and bidding documents, to ensure environmentally responsible procurement. | Compliance achievable through specific conditions established in legal documentation for actions over a defined period. | Specific ESHS provisions prior to the issuance of tender of the project will be included in the Loan Agreement. |
| **OP-704 Natural Disaster Risk Management Policy** | | | |
| Disaster Risk Assessment | The Program has been assessed for disaster risks and is categorized medium due to the risks of Floods. | The Program has activated OP-704 due to the risk of floods. | Prior to the Execution of the infrastructure component, a specific flood disaster risk assessment shall be carried out and a disaster management plan shall be defined. |
| Disaster Risk Management Plan |
| **OP-710 Operational Policy on Involuntary Resettlement** | | | |
| Resettlement Minimization | N/A | Involuntary Resettlement is not anticipated as a result of the program of works | N/A |
| Resettlement Plan Consultations |
| Impoverishment Risk Analysis |
| Resettlement Plan or Resettlement Framework |
| Consent (Indigenous Peoples and other Rural Ethnic Minorities) |
| Livelihood Restoration Program |  |  |  |
| **OP-765 Operational Policy on Indigenous Peoples** | | | |
| Sociocultural Evaluation | N/A | N/A. Program will not impact indigenous peoples. | N/A |
| Good-faith Negotiations |
| Agreement with Affected Indigenous Peoples |
| Indigenous Peoples Protection, Compensation, and Development Plan or Framework prior to Board Approval |
| Discrimination Issues |
| Transborder Impacts |
| Impacts on Isolated Indigenous Peoples |
| **OP-761 Operational Policy on Gender Equality in Development** | | | |
| Unequal Access to Project Benefits/ Compensation Measures | Unequal Access to Project Benefits/ Compensation Measures | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | In the bidding documents for the construction of the building should be included as part of the contract the participation of women in the construction activities at a percentage of 25%. |
| Uneven Introduction of Unpaid Work | Uneven Introduction of Unpaid Work and Increased Risk of Gender-Based Violence, including sexual exploitation, human trafficking and sexually transmitted diseases | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | The proposed health and security program during construction will include measures, standard in construction contracts, to avoid uneven introduction of unpaid work or payment gaps, or increased risk of gender based violence. The stakeholder’s consultations offer an opportunity for equitable participation of women and men. For the construction phase the workers, contractors and subcontractors will be hired based on the existing labor rights policies (gender inclusion and equal treatment of workers). |
| Increased Risk of Gender-Based Violence, including sexual exploitation, human trafficking and sexually transmitted diseases |
| Disaggregation of Impact Data by Gender | N/A | N/A | N/A |
| **OP-102 Access to Information Policy** | | | |
| Disclosure of relevant Environmental and Social Assessments Prior to Analysis Mission, QRR and submission of the operation for Board consideration | Preliminary ESIA disclosed. | Compliant | The draft ESIA (including ESMP) was disclosed on the IDBs and the EA website on March 23rd, 2017. When the review of ESIA is done and the environmental specialist of the IDB has approved it will be updated on the website as final version |
| Provisions for Disclosure of Environmental and Social Documents during Project Implementation | Ongoing Disclosure of Environmental and Social Documents during Project Implementation | Compliance achievable through specific conditions established in legal documentation for actions over a defined period of time. | Conditions Prior to the Issuance of Tender of the project. For the project, the EA has presented the ESIA (including the public consultation summary) to the Bank for its non-objection and for disclosure. |

**Annex B. ESHS Legal Requirements**

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| **ESHS Conditions of the Loan Agreement**  The following ESHS contractual terms and conditions are required to be fulfilled to the satisfaction of the Bank and will be included in the Loan Agreement in order to comply with the Bank’s ESHS Safeguard Policies: |
| **1. Conditions of Execution for Compliance During the Life of the Loan.**  a) The Borrower shall, and shall cause the Executing Agency and every other contractor, operator or any other Person performing Project related activities to, design, build, operate, maintain and monitor the Project in compliance with: (i) the Bank's environmental and social safeguards policies, as well as their respective implementation guidelines, including: the Access to Information Policy (OP-102), the Environment and Safeguards Compliance Policy (OP-703), and the following, as applicable, The Disaster Risk Management Policy (OP-704); (ii) the ESHS requirements established by the current national legislation of Suriname; (iii) the ESHS requirements established by the ESMR and the Project ESIAs, and all updates agreed to by the Bank; and (iv) any specific ESHS plans.  b) The Borrower, or the Executing Agency on behalf of the Borrower, shall present evidence that the following ESHS Plans, in the terms previously agreed to with the Bank, as described in the Environmental and Social Management Plan, are put into effect and implemented, which includes, but is not limited to, a Waste Management Plan, a Health and Safety Plan for construction, and an Emergency Response Plan.  c) The Borrower, or the Executing Agency on behalf of the Borrower, shall comply with the following ESHS conditions:  (1) **Conditions Prior to the Issuance of Tender for Specific Works**.  (i) For the project, the Borrower, or the Executing Agency on behalf of the Borrower, has presented the ESIA (including the public consultation summary) to the Bank for its non-objection and for public disclosure (online and in country), and (ii) for the project, evidence that the contract bidding documents include ESHS requirements aligned with the requirements of ESIA and ESMP.  (2) **Conditions Prior to the Start of Construction for Specific Works**.  (a) The ESHS plans for construction of the project, as detailed in the Environmental and Social Management Plan shall be presented to the Bank for its non-objection.  b) The Borrower, or the Executing Agency on behalf of the Borrower, shall present evidence that the following ESHS requirements, in the terms agreed upon with the Bank, have been fulfilled: (i) Hiring of the environmental and social specialists for the project construction phase and (ii) Obtaining legal rights to the land, environmental permits, legal authorizations and licenses of the land where the new building  c) Any substantive changes to the ESHS provisions or ESHS Plans referred to herein shall be in writing and approved by the Bank in a manner consistent with the Bank's environmental and social safeguards policies.  d) The Borrower, or Executing Agency on behalf of the Borrower, shall implement the Project stakeholder engagement processes described in the Community Engagement and Consultation Plan to ensure that affected communities are (1) informed and consulted about the progress of the work and the ESHS management of the Project and (2) have access to grievance resolution mechanisms.  e) With respect to the Project, the Borrower, or Executing Agency on behalf of the Borrower, shall notify the Bank in writing within ten (10) days of any (1) potential or actual material noncompliance with the environmental and social requirements; (2) accidents, incidents or other significant events (e.g. spills, fires, discharges of hazardous substances); (3) significant actual or imminent social conflicts; or (4) any newly identified environmental and social risks and impacts, that may affect the environmental and social aspects of the Project; in each case such notice shall include actions taken or proposed with respect to such events.  f) In the event the Bank determines that a Corrective Action Plan (CAP) is required, the Borrower, or the Executing Agency on behalf of the Borrower, shall submit a CAP, including the corresponding schedule and budget that is satisfactory to the Bank within thirty days of the Bank’s request. |
| **3. Monitoring, Reporting and Supervision.**  a) For the purposes of monitoring and supervision of ESHS compliance, the following requirements shall apply:  (i) The Borrower, or the Executing Agency on behalf of the Executing Agency, shall prepare and present to the Bank’s satisfaction, an ESHS Compliance Report (ESCR), in the form and content agreed upon with the Bank, semi-annually as part of the progress report during construction, or within 45 days of the end of each respective calendar period.  (ii) The Borrower, or the Executing Agency on behalf of the Executing Agency, shall fully cooperate with the Bank, or an ESHS Consultant on its behalf, to carry out Project supervision and prepare supervision reports in order to (i) verify compliance of the implementation of the ESHS requirements for the Project and (ii) address any ESHS impact or liability which has not been adequately mitigated or compensated. |
| **4. Definitions.**  **Corrective Action Plan or CAP**: means a plan, in form and substance satisfactory to IDB, to correct, and to remedy all damage and adverse consequences caused by any failure by the Project, the Borrower, the Executing Agency or any other relevant party to comply with any ESHS requirement, or to manage any unmitigated risks related to Project ESHS matters. A CAP must be presented within 30 days of being required by the Bank.  **ESHS** means environmental, social (including labor), health and safety.  **ESHS Impact Assessment or ESIA** means a systematic and comprehensive study, that fully complies with all ESHS Laws and IDB Environmental and Social Safeguard Policies and Guidelines, relating to the analysis and evaluation of a project’s potential environmental, social, labor, health and safety (ESHS) impacts, both positive and negative, taking into account overall cumulative primary and secondary consequences likely to alter significantly the quality of the natural and human environment, including: (a) an executive summary; (b) a description of the proposed project, including construction and operation; (c) a description of the applicable ESHS Laws and institutional framework; (d) a description of the ESHS conditions in the area of both direct and indirect influence of the project; (e) an analysis of the direct, indirect and cumulative ESHS impacts and risks relating to the project; (f) a summary description and evaluation of the project alternatives (including site selection) considered and the rationale for selecting the proposed alternative; (g) a description of measures and recommendations for preventing, avoiding, reducing, eliminating, mitigating or compensating the ESHS impacts of the selected alternative; (h) a description of the ESHS monitoring, reporting and evaluation requirements during project construction and operation; (i) the schedule, assignment of responsibility and budget for the ESHS mitigation measures and monitoring programs; and (j) a record of the process and a summary of the results of information disclosure and public consultation with the affected population.  **ESHS Compliance Report** (or ESCR) means a report prepared by the Borrower, in form and substance satisfactory to the IDB: (i) provide the necessary information required to assess and verify compliance with the ESHS Requirements and the implementation status and results of the ESHS Plans; and (ii) to propose any corrective actions, if and to the extent necessary.  **ESHS Management Plan or** **ESMP**: the plan(s) agreed upon with the Bank, and updated before First Disbursement, and to be approved by the Bank prior to the Project Closing covering both the Project construction and operation phases, describing the actions necessary for the Borrower, the Executing Agency and any other relevant party to comply with all ESHS Requirements (, which plan shall include: (a) a detailed description of all necessary ESHS mitigation measures and monitoring activities, which are, at a minimum, those measures and monitoring activities defined in the environmental and social impact assessment, the ESHS Plans and each ESHS Authorization issued by any Authority or otherwise under any applicable ESHS Law; (b) a statement of the estimated cost, time schedule and assignment of responsibility for implementing each mitigation measure and monitoring activity; (c) a description of the specific Project supervision methods (including audits, documentation and record keeping, on-site monitoring and surveillance) to be implemented to ensure that all measures and programs are completely and properly implemented; (d) a description of the planned ESHS Management System (ESMS); (e) a reference to other ESHS Plans; (f) a description of routine reporting actions within and among the Borrower, the Executing Agency and any other relevant parties ; (g) key environmental and social performance indicators for each ESHS program included in the ESHS Plans; and (g) a description of on-going activities to ensure adequate information disclosure and consultation with the local population affected by the Project, including a grievance management mechanism.  **Contingency Plan or Emergency Response Plan (ERP):** means a plan, in form and substance satisfactory to IDB, covering any construction, operations or activities of the Borrower related the Project to properly prevent and control unplanned but foreseeable events associated with the Project, including the Release of Hazardous Substances, that could reasonably be expected to lead to violations of ESHS Requirements, ESHS Claims or adverse impacts with respect to ESHS Matters, which plan shall: (a) comply with all requirements in the environmental impact assessment and in any applicable ESHS Authorization; (b) include a description of the potential Project risks, hazards and emergencies and the measures, procedures, equipment, training, responsibilities, schedules and resources (including monetary and manpower resources) required to adequately prevent, control, respond to, and remedy such potential Project risks, hazards and emergencies; (c) include the estimated cost, time schedule and assignment of responsibility for implementing each component of the plan; and (d) include a description of the reporting procedures to be implemented upon the occurrence of any such event. The Contingency Plan may include the Spill Prevention and Counter Control Plan or may be prepared as a separate plan in addition to the Spill Prevention and Counter Control Plan.  **Health and Safety Management Plan:** means a plan covering any construction, operations or activities of the Borrower, including the Project in form and substance satisfactory to IDB, describing the actions necessary for the Project and each Environmental Party to comply with all applicable ESHS Requirements relating to health and safety including: (a) a description of potential health and safety hazards based upon the specific project works/activities; (b) a detailed description of necessary procedures and equipment that are technically appropriate to deal with such Project specific health and safety issues; (c) a clear and complete description of all major responsibilities and authorities relating to the implementation of the plan; (d) a description of the specific project supervision methods (including audits, documentation and record-keeping, on-site monitoring and medical surveillance) to be implemented to ensure that the plan is completely and properly implemented by each relevant party; (e) a description of the specific health and safety training that will be provided to any Persons involved with the Project and the minimum levels of training required; (f) a description of emergency response procedures; (g) an estimated cost, time schedule and assigned responsibility for implementing each component of the plan; and (h) the expected results and corresponding performance indicators. |

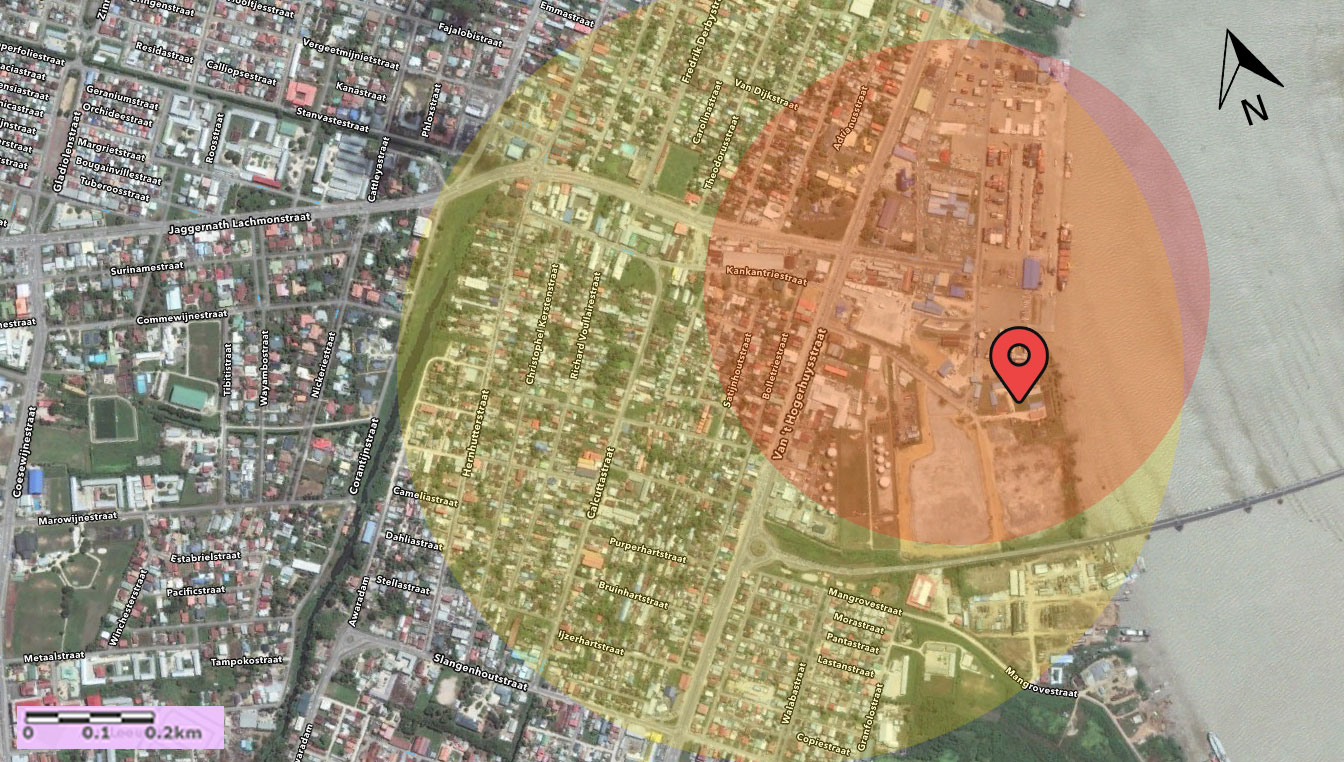
**Annex C. Site locations**



Figure 1 **-** Google Earth image showing the project site

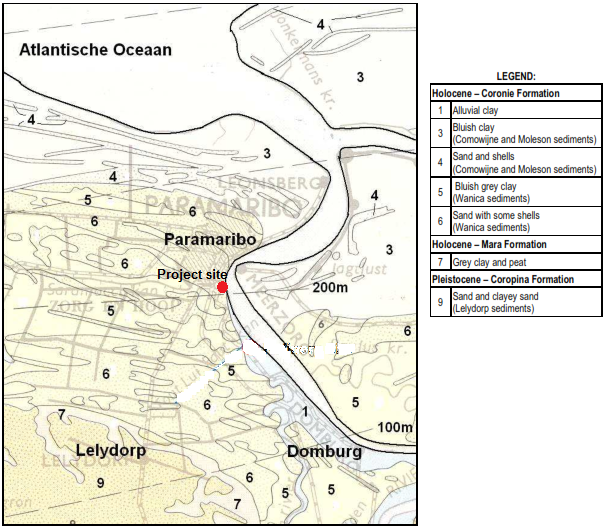


Figure 2**-** Google Earth image showing the area where the office complex will be built.



Red = environmental study area; Yellow = social study area; Specific point = project site location

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| Front (above) and rear view (below) of the New Tax Building | Location of the New Tax Buildings |

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Geology of the lower Suriname River and Sea

1. A project Management Unit is responsible for the day to day management of the project in terms of administrative, social, legal and technical aspects. [↑](#footnote-ref-1)