

Complexo Industrial e Portuário do Pecém
CIPP

Expanding Clean Hydrogen in Brazil – Ceará
Hydrogen Hub (P181511)

[Draft]
ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)

[September 12, 2024]

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The *Complexo Industrial e Portuário do Pecém* – CIPP (the Borrower) will implement the Expanding Clean Hydrogen in Brazil – Ceará Hydrogen Hub (the Project) as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the World Bank) has agreed to provide financing (P181511) for the Project, as set out in the referred agreement). This ESCP shall apply to the original financing for Project referred to above.
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 World 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, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
4. As agreed by the World 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 CIPP and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the President of CIPP. 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 World 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, environmental legislation, stakeholder engagement activities, and functioning of the grievance mechanism.</p>	<p>Submit six-monthly reports to the World Bank throughout Project implementation, commencing after the Effective Date.</p> <p>Submit each report to the World Bank no later than 45 days after the end of each reporting period.</p>	CIPP
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the World 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.</p> <p>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 World 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 World Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent reports to the World Bank within a timeframe acceptable to the World Bank</p>	CIPP
C	<p>CONTRACTORS' MONTHLY REPORTS</p> <p>Require contractors from the Project and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts and submit an abridgement of such reports to the World Bank.</p>	<p>Submit an abridged report of the monthly reports to the World Bank as annex to the reports to be submitted under action A above.</p>	CIPP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ORGANIZATIONAL STRUCTURE Operate and maintain the Project Management Unit (PMU), as established in the Borrower's letter (Carta PRES) no. 420/2024, dated July 24, 2024 (or newer version), with qualified staff and resources to support management of ESHS risks and impacts of the Project, including, at minimum, one assigned staff to manage each of the following aspects of the Project: E&S risk management, occupational health and safety (OHS), and communication and stakeholder engagement.	Throughout Project implementation	CIPP
1.2	ENVIRONMENTAL AND SOCIAL INSTRUMENTS a) Adopt, implement and disclose the projects' Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Plans (ESMP), and other relevant E&S instruments, as set out in the relevant country's legislation and by the environmental licensing agencies. b) Submit to the Bank the projects' Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Plans (ESMP), and other relevant E&S instruments. Subsequently, at the World Bank's request, prepare complementary studies and/or plans, if applicable, to ensure consistency with the relevant ESSs.	a. Adopt the ESIA, ESMP, and other relevant E&S instruments as required by the environmental licensing agencies, and thereafter implement the ESIA and ESMP throughout project implementation. b. As required, throughout project implementation.	CIPP
1.3	ENVIRONMENTAL LICENSING Obtain and provide to the Bank the environmental licenses (and other applicable permits) for the implementation of the Projects' interventions, pursuant to the relevant country's legislation and the environmental agency requirements, before the commencement of the works: i) Infrastructure corridor (Green Hydrogen Hub); ii) Pier 2 expansion (Port Terminal); iii) Multiple Utilities Terminal – TMUT expansion (Port Terminal).	Before start of construction	CIPP
1.3	MANAGEMENT OF CONTRACTORS Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors 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.	CIPP

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>1.4 TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, studies, capacity building, training, and any other technical assistance activities under the Project are carried out in accordance with terms of reference acceptable to the World 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.	CIPP
<p>1.6 ASSOCIATED FACILITIES</p> <p>a) Develop and disseminate among the operators of the Green Hydrogen Hub Associated Facilities a Guidance Note on environmental, social, and OHS risk management standards – in line with the requirements of the relevant country's legislation and the ESF – to promote adherence to Good International Industry Practices in the Sector. Subsequently include the Guidance Note (E&S measures, obligations) as one of the E&S requirements in the contracts to be signed between CIPP and operators.</p> <p>b) Cause owners and operators of Associated Facilities to ensure that their activities are carried out in accordance with the applicable requirements of this ESCP, the relevant ESSs, and the relevant national legislation on environmental, social, and labor risks and impacts management.</p> <p>c) Submit to the Bank E&S assessment studies and other relevant E&S instruments required as per the environmental licensing of the Associated Facilities to the extent that CIPP has control or influence over such Associated Facilities.</p>	<p>a) and b) Develop the Guidance Note within the first year of Project implementation and cause owners and operator of Associated Facilities to carry out their activities in accordance with its requirements thereafter.</p> <p>c) Throughout project implementation</p>	CIPP
<p>1.8 ACTIVITIES SUBJECT TO RETROACTIVE FINANCING</p> <p>Carry out an E&S Audit of activities that may be subject to retroactive financing under the project in a manner consistent with the applicable ESSs, and reflect such audit in a report, which shall also include any corrective action plans or measures that are identified pursuant to the audit, in accordance with the ESSs. Subsequently, implement any corrective action plans or measures, as applicable.</p>	As a condition to submit these activities as eligible expenditures.	CIPP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT a) Comply and ensure that contractors, subcontractors, and supervising firms comply with the requirements of the Brazilian Labor Law, including provisions on working conditions, fair treatment, freedom of association, forced labor and child labor. b) Provide information and training on Occupational Health and Safety standards adopted by CIPP in obedience to the country's labor legislation and ensure compliance to these standards by Project workers (including those engaged by contractors, subcontractors, and supervising firms). c) Provide information, carry out awareness raising campaigns, and cause Project workers to abide by the material measures to combat discrimination, moral and sexual harassment, abuse, and exploitation already stated in CIPP Code of Conduct and the country legislation.	a) Provide information on core elements of the Brazilian Labor Legislation to Project workers at the time they are hired, and thereafter throughout Project implementation. b) Provide information on OHS standards and CIPP's Worker Protection and Workplace Safety Plan (PPTSAT) and Environmental Education Programs for Workers (PEAT) to Project workers at admission, and thereafter ensure their compliance with these normative throughout Project implementation. c) Disseminate CIPP's Code of Conduct to Project workers at the time they are hired, and thereafter ensure compliance with the Code of Conduct.	CIPP
2.2	GRIEVANCE MECHANISM FOR PROJECT WORKERS Ensure that all workplace concerns raised by project workers are promptly addressed in a transparent and without retribution manner through a broadly advertised grievance mechanism.	Inform Project workers of the grievance mechanism at the time they are hired, and thereafter maintain and operate this grievance mechanism throughout Project implementation.	CIPP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	PORT TERMINAL a) Adopt, implement, and cause contractors to implement the environmental plans and programs as per the Port's integrated ESMP (5th version or later) in accordance with the applicable legislation, environmental licenses and in a manner consistent with the ESS3. b) Report to the Bank on the implementation of the environmental plans and programs as per the Port's integrated ESMP (5th version or later), including eventual corrective and preventive measures and other requests, pursuant to the environmental agency requirements and routinary audits.	a) Throughout project implementation. b) Same as Action A above.	CIPP
3.2	GREEN HYDROGEN HUB a) Adopt, implement, and cause contractors, GH2 producers, and tanking operators to implement the environmental plans and programs as per the approved ESMP (part of the Hub's ESIA) in accordance with the applicable legislation, environmental licenses and in a manner consistent with the ESS3. b) Report to the Bank on the implementation of the environmental plans and programs as per the Hub's ESMP, including eventual corrective and preventive measures and other requests, pursuant to the environmental agency requirements and routinary audits.	a) Throughout project implementation. b) Same as Action A above.	CIPP
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Ensure implementation of measures to manage traffic and road safety risks included in the Environmental and Social Management Plans of CIPP and the Green Hydrogen Hub as required by the Brazilian legislation and licensing agencies.	Throughout Project implementation.	CIPP

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>4.2 COMMUNITY HEALTH AND SAFETY</p> <p>Manage specific health and safety risks and impacts to nearby communities arising from Project activities in accordance with the Environmental and Social Management Plans of CIPP and the Green Hydrogen Hub as required by the Brazilian legislation and licensing agencies, carrying out awareness raising, information and training campaigns about the environmental, social, health and safety risks of CIPP operations related with the Project and the key elements of Emergency Preparedness and Responses Plans.</p>	Throughout Project implementation.	CIPP
<p>4.3 SEA AND SH RISKS</p> <p>a) Adopt and cause all contractors, subcontractors, and supervising firms to adopt behavioral standards against SEA and SH in the relationships between Project workers and the population of nearby communities.</p> <p>b) Carry out at admission and regular training of Project Workers on proper standards of behavior about refraining from unacceptable conduct toward community members, specifically women, and zero tolerance for sexual harassment and gender-based violence.</p> <p>c) Ensure the dissemination among Project Workers and members of nearby communities of information on referral gender-based violence service providers to prevent and respond to SEA/SH and GBV incidents available at the municipal.</p> <p>d) Ensure the Project's Grievance Mechanism (CIPP's Ombudsman Office) is broadly disseminated among nearby communities and equipped to receive, register, and facilitate the resolution of SEA/SH and Gender-Based Violence related complaints, including through the referral of survivors to relevant service providers, all in a safe, confidential, and survivor-centered manner.</p>	Commencing at admission of Project workers, and thereafter implemented throughout Project implementation.	CIPP
<p>4.4 SECURITY PERSONNEL MANAGEMENT</p> <p>Implement measures to ensure appropriate screening and training of private security personnel as required by the applicable country law and ESS 4.</p>	Throughout Project implementation.	CIPP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	ADVERSE ECONOMIC IMPACTS ON FISHING COMMUNITIES Maintain the implementation of the Fishing Communities Compensation Subprogram (<i>Programa de Compensação da Atividade de Pesca</i>) required by the Brazilian environmental licensing agency as a condition for operation of the Port of Pecém and following the required participatory approach, which is consistent with ESS5.	Implement the PCAP throughout Project implementation.	CIPP
5.2	RESETTLEMENT PLANS a) Communicate immediately to the World Bank if project activities or the health and safety of neighboring populations eventually justify any currently unexpected land acquisition with adverse impacts related to physical and/or economic displacement. b) Prepare, obtain the World Bank's no objection, and implement a Resettlement Action Plan (RAP) in a manner consistent with the principles, objectives, and requirements of ESS5.	a) Immediately after the need of land acquisition is identified. b) Prepare and implement the respective RAP, ensuring that before taking possession of the land and related assets, full compensation has been provided and displaced people have been resettled (as needed).	CIPP
5.3	GRIEVANCE MECHANISM Utilize the Environmental Education Program Governance Committee (CGPEA) of CIPP as a channel to address concerns raised by representatives of neighboring and fishing communities with regards to adverse impacts related with involuntary physical and/or economic displacement.	Maintain the CGPEA operational throughout Project Implementation.	CIPP
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	PORT TERMINAL a) Adopt, implement, and cause contractors to implement the environmental plans and programs as per the Port's integrated ESMP (5th version or later) in accordance with the applicable legislation, environmental licenses and in a manner consistent with the ESS6. b) Report to the Bank on the implementation of the environmental plans and programs as per the Port's integrated ESMP (5th version or later), including eventual corrective and preventive measures and other requests, pursuant to the environmental agency requirements and routinary audits.	a) Throughout project implementation. b) Same as Action A above.	CIPP

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>6.2 GREEN HYDROGEN HUB</p> <ul style="list-style-type: none"> a) Adopt, implement, and cause contractors, GH2 producers, and tanking operators to implement the environmental plans and programs as per the approved ESMP (part of the Hub's ESIA) in accordance with the applicable legislation, environmental licenses and in a manner consistent with the ESS6. b) Report to the Bank on the implementation of the environmental plans and programs as per the Hub's ESMP, including eventual corrective and preventive measures and other requests, pursuant to the environmental agency requirements and routinary audits. c) Develop and submit the environmental agency the complementary Fauna Work Plan on the fauna diagnosis, before applying for the installation license of the infrastructure corridor. d) Obtain the applicable environmental licenses and authorizations, as defined by the environmental agency, before installation, for forest clearing and wild fauna management to carry out the survey, monitoring, rescue and destination of the fauna affected by the project. e) Agree with the environmental agency on the environmental compensation commitment term (TCRA, in Portuguese) and implement the environmental compensation measures as defined by the relevant country's legislation, and environmental license requirements. Report to the Bank on the implementation of such measures as part of the Project's bi-annual reports. 	<ul style="list-style-type: none"> a) Throughout project implementation. b) Same as Action A above. c) Before applying for the installation license. d) Before commencement of the works e) As defined by the environmental agency. 	CIPP
<p>6.3 BENTHIC COMMUNITY</p> <p>In order to properly characterize the benthic community, carry out a taxonomic analysis at the species level for this group, as defined in the Biota Monitoring Program. For this, care must be taken when preserving the collected samples for later analysis by a team of taxonomists specialized in each faunal group.</p>	Report to the Bank as part of the Project's bi-annual reports (Action A).	CIPP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
6.4	<p>ICHTHYOFAUNA</p> <p>a) Carry out a robust and continuous analysis of the monitoring data as part of the Aquatic Biota Monitoring Program, in order to identify the real impact of the expansion of the TMUT and the operation of the TPP on the fish community. The data presented in the reports suggests a decrease in species diversity over time, but there is still doubt as to whether this is actually an impact or the result of a decrease in sampling effort.</p> <p>b) Review the monitoring methodology of the Aquatic Biota Monitoring Program, considering expanding the sampling network by adding new points in both the operating area and the control area, as well as increasing the monitoring frequency to at least quarterly.</p>	Report to the Bank as part of the Project's bi-annual reports (Action A).	CIPP
6.5	<p>CETACEANS, CHELONIANS AND SEABIRDS MONITORING</p> <p>a) Revise the monitoring methodology, including the photo-identification method (a methodology already requested by IBAMA in technical opinions issued to the CIPP).</p> <p>b) Enhance the characterization of the acoustic landscape in order to identify the use of the study area by the species <i>Sotalia guianensis</i>; a vulnerable species recorded in the area of influence of the port terminal.</p>	Report to the Bank as part of the Project's bi-annual reports (Action A).	CIPP
6.6	<p>WATER QUALITY MONITORING</p> <p>Carry out a robust and continuous analysis of the monitoring data within the scope of the Water Quality Monitoring Program, in order to identify the origin of the deviations identified in relation to CONAMA Resolution 357/2005 in the study area.</p>	Report to the Bank as part of the Project's bi-annual reports (Action A).	CIPP
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
This standard is not currently relevant.			
ESS 8: CULTURAL HERITAGE			
8.1	<p>CULTURAL HERITAGE RISKS AND IMPACTS</p> <p>Maintain the implementation of the Archaeological Prospecting and Rescue Program and the chance finds procedures that have been required by the Brazilian National Institute of Historical and Artistic Heritage (IPHAN) for the licensing of the operation of CIPP and the Green Hydrogen Hub, which are consistent with ESS8.</p>	Throughout Project implementation.	CIPP
ESS 9: FINANCIAL INTERMEDIARIES			
This standard is not currently relevant.			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Adopt and implement the Project's Stakeholder Engagement Plan (SEP) in a manner consistent with ESS10.	Adopt the SEP within 30 days after the Project's date of Effectiveness, and thereafter implement the SEP throughout Project implementation.	CIPP
10.2	PROJECT GRIEVANCE MECHANISM a) Utilize and operate the existing CIPP's Ombudsman Office as the Project's grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, in a manner consistent with ESS10. b) Report to the World Bank on the handling of concerns and grievances raised in relation to the project, considering rate of responses provided in the due timeline, rate of resolution, and rate of satisfaction with the services provided by the Ombudsman Office.	a) Maintain and operate the Grievance Mechanism throughout Project implementation. b) Submit six-monthly reports to the World Bank throughout Project implementation on the performance of the Grievance Mechanism, throughout Project implementation.	CIPP
CAPACITY SUPPORT			
CS1	Provide the environmental and social teams, and other members of the PMU (as relevant) with training on: <ul style="list-style-type: none"> • procedures for mapping and engaging stakeholders. • specific aspects of environmental and social assessment and management. • application of the Project's environmental and social risk management instruments (e.g., risk and impact identification/verification forms, management plans). • procedures for recording, processing, responding, and resolving complaints. • 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.	CIPP
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.	CIPP