

Banco da Amazonia (BASA)

**Accelerating Energy Transition in the
Amazon Project**

P506320

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

Negotiated

02/05/2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The *Banco da Amazonia – BASA* (the Borrower) will implement the Accelerating Energy Transition in the Amazon P506320 (the Project) as set out in the Loan Agreement (the Agreement). The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the Agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the 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, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower's Representative specified in the Agreement. The Borrower shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	<p>ORGANIZATIONAL STRUCTURE</p> <p>Designate 1 (one) senior management staff to have overall accountability for BASA Environmental and Social Management System (ESMS), and the E&S performance of the FI subprojects, and 1 (one) staff member – as part of the Project Management Unit (PMU) – to be responsible for ensuring the application of the screening, classification and monitoring procedures for environmental and social risk management established by BASA’ existing ESMS to all FI subprojects.</p>	Designate the two staff members by Project Effectiveness and thereafter keep these two positions throughout Project implementation.	BASA
B	<p>TRAINING AND CAPACITY BUILDING</p> <p>Provide periodical training to the environmental and social staff of the institution, including the Project’s focal points and other relevant parties, on the relevant E&S risk management procedures as part of BASA ESMS capacity building and training program (<i>Trilha de Sustentabilidade, ESG, Gestão de Risco, Código de Ética, etc.</i>), including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> • E&S and Climate Policy (<i>PRSAC</i>) • Risk assessment and screening procedures • Monitoring and reporting • GRM management • Occupational Health and Safety • Measures to prevent SEA/SH • Workers’ Code of Conduct 	Periodically, throughout Project implementation. At least annually.	BASA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project. The reports shall include, <i>inter alia</i>:</p> <ul style="list-style-type: none"> • Summary of the FI subprojects financed through the Project, and the overall portfolio risk, profiled by sector. • Description of material measures taken to ensure that the management of environmental and social risks of FI subprojects is conducted in a manner consistent with the objectives and requirements of the relevant ESSs. • Status of FI sub-borrowers’ performance on the management of E&S risks of subprojects and fulfillment of conditions required under their environmental licenses. • Summary of stakeholder engagement activities carried out by FI sub-borrowers (Category High subprojects). • Complaints submitted to the grievance mechanism and progress made in facilitating their resolution. • Number and status of resolution of incidents and accidents reported under action D below. 	Bi-annually, commencing after Project Effectiveness and no later than 60 days after the end of each reporting period.	BASA
D	<p>INCIDENTS AND ACCIDENTS</p> <ol style="list-style-type: none"> Notify the Bank of any incident or accident related with the project and subprojects that has, or is likely to have, a significant adverse effect on the environment, local communities, and the workers directly employed or engaged by the Borrower to work specifically in relation to the project, including those resulting in death or significant injury to workers or the public as well as all allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH). Provide available details of the incident or accident to the Bank upon request (as further detailed in the POM). Cause sub-borrowers to notify BASA of any incident or accident related to their subprojects that has, or is likely to have, a significant adverse effect on the environment, local communities, workers` health and safety conditions. Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan (CAP) that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence. 	<ol style="list-style-type: none"> Notify the Bank no later than 48 hours after learning about the incident or accident. Provide available details upon request. Notify BASA no later than 48 hours after learning of the incident or accident. Provide available details upon request. Provide a review report and Corrective Action Plan (CAP) to the Bank no later than 10 days after the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank. 	BASA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM</p> <p>Maintain the existing Environmental and Social Management System (ESMS) to identify, assess, manage, and monitor the environmental and social risks and impacts of FI subprojects that receive support from the Project. The ESMS shall include, inter alia, the following elements:</p> <ul style="list-style-type: none"> • An Environmental and Social policy endorsed by BASA senior management. • Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of FI subprojects. • Exclusion list with the activities that are not eligible for financing. • An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. • Monitoring and reporting of environmental and social performance of FI subprojects and the effectiveness of the ESMS. • Incidents and accidents notification and subsequent reporting requirements. • An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner. 	Throughout Project implementation	BASA
1.2	<p>ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT</p> <ol style="list-style-type: none"> Enforce the principles and guidelines set in the BASA’s Environmental, Social and Climate Responsibility Policy (PRSAC – <i>Política de Responsabilidade Social, Ambiental e Climática</i>) as a requisite for the financing of any FI subproject. Conduct environmental and social risk management – screening, identification, classification, monitoring and evaluation – according to i) the procedures set in the Environmental and Social Management System (ESMS) already in place and ii) the additional material measures incorporated in this ESCP, in a manner proportionate to the environmental and social risks of each FI Subproject. Incorporate contractual clauses and covenants (<i>Environmental and Social Obligations</i>) in the FI sub-loan agreements aimed at ensuring FI Sub-borrowers’ compliance with the material measures required to mitigate the risks and impacts associated with each one of the FI subprojects. 	<p>a/b/c/d/e. Throughout Project implementation and as part of the process for signing the sub-loan agreements.</p> <p>f. Annually throughout the FI subproject life cycle.</p>	BASA

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>d. Include additional E&S Obligations in the FI sub-loan agreements aimed at ensuring FI Sub-borrowers’ compliance with the material measures required to mitigate the risks and impacts associated with each one of the FI subprojects that involves i) involuntary resettlement and restrictions on land use unless the risks or impacts of such resettlement are minor), or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, considering the relevant requirements of ESS 1, ESS 2, ESS 3, ESS 4, ESS 5, ESS 6, and ESS 8.</p> <p>e. Notify the Bank of i) any change in the elements of BASA ESMS and the national environmental, social and labor regulatory framework that the Bank has accepted to use to manage environmental and social risks and impacts of FI subprojects (that has material impact on the Project); and ii) the immediate measures taken or planned to be taken to address said changes. The ESCP shall be updated to reflect such agreed actions.</p>		
<p>1.3 ESMS DOCUMENTATION</p> <p>Maintain the key elements of the existing ESMS (E&S policy, risk screening, assessment and monitoring procedures, exclusion list - to be applied specifically to the Project - external communication channels, and organizational structure) disclosed on BASA website.</p>	<p>Throughout Project implementation</p>	<p>BASA</p>
<p>1.4 EXCLUSION LIST</p> <p>Screen all proposed FI subprojects against BASA existing exclusion list, and other financing restrictions, as set out in BASA ESMS and financial framework, including any other particular conditions as determined in this ESCP. The following additional conditions will be considered exclusions of the Project:</p> <ul style="list-style-type: none"> • Subprojects classified as Critical for E&S risk as per BASA ESMS classification criteria. • Subprojects involving the construction of large dams¹, or relying on the operation of large dams or dams under construction (DUC); or small dams that are expected to become large dams during their operational life. • Subprojects involving the construction of small dams designed for other purposes than small hydro generation (up to 30 MW), such as floods control, retaining toxic materials, industrial waste, etc. 	<p>Throughout Project implementation</p>	<p>BASA</p>

¹ As per ESS4—Annex 1. Safety of dams (a) “Large dams” are defined as dams with a height of 15 meters or greater from the lowest foundation to crest or dams between 5 meters and 15 meters impounding more than 3 million cubic meters; (b) All other dams, regardless of size or retention capacity, are referred to as “small dams” which (i) could cause safety risks, such as an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, retention of toxic materials, or potential for significant downstream impacts or (ii) are expected to become large dams during their operating life.

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> • Subprojects i) involving significant conversion or significant degradation of critical habitats²; ii) that could lead to potential adverse impacts, significant conversion or significant degradation of critical habitats; iii) may have adverse impacts on areas that – due to their biodiversity, conservation value, or ecosystem services – are protected by the State, unless evidence is provided that shows the activity does not interfere with the protection purposes; iv) could intentionally introduce any new alien species (not currently established in the country or region of the project); v) involving primary production and harvesting of living natural resources. • Subprojects involving the use of community workers. • Subprojects utilizing sub-loan proceeds for land acquisition. • Subprojects that are located in lands which acquisition led to physical or economic displacement, or restricted access to natural resources in legally designated parks and protected areas, or where forced evictions occurred in anticipation of their implementation. • Subprojects that may have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; or may cause relocation of Indigenous Peoples from land and natural resources subject to traditional ownership or under customary use or occupation; or may have significant impacts on Indigenous Peoples’ cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous Peoples’ lives. • Subprojects involving the commercial use of cultural heritage. • Subprojects involving recourse to pest management measures. • Subprojects with associated facilities out of the sub-borrowers’ control or influence. • Entrepreneurs convicted, whether in the administrative or judicial sphere, for acts involving racial and gender discrimination, child labor, slave labor, and moral or sexual harassment. • Entrepreneurs convicted by environmental crimes, or subject to any type of embargoes by the applicable environmental agencies. 		

² As per the ESS6, Critical habitat is defined as areas with high biodiversity importance or value, including: (a) habitat of significant importance to Critically Endangered or Endangered species, as listed in the IUCN Red List of threatened species or equivalent national approaches; (b) habitat of significant importance to endemic or restricted-range species; (c) habitat supporting globally or nationally significant concentrations of migratory or congregatory species; (d) highly threatened or unique ecosystems; (e) ecological functions or characteristics that are needed to maintain the viability of the biodiversity values described above in (a) to (d).

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>1.5 ENVIRONMENTAL AND SOCIAL DUE DILIGENCE</p> <ul style="list-style-type: none"> a. Submit to Bank’s non-objection the first 3 high-risk operations (Category High as per BASA ESMS classification criteria) and all operations involving the construction of small dams (under the Project’s eligible scope). The submission package shall comprise the subproject’s key documentation, including BASA risk assessment report, E&S risk assignment and rationale, recommended E&S actions and measures, and main permits and licenses, as applicable. b. Cause the sub-borrowers to retain independent consulting firms to conduct the E&S due diligence of the project Category High, as well as the periodic supervision of such projects. The Terms of Reference of the consulting firms shall be designed in a manner consistent with this ESCP and the applicable requirements of the relevant ESSs. c. Share with the Bank the due diligence (inception and supervision) reports of FI subprojects that are classified as Category High, including any corrective action plans agreed upon by the parties to address potential shortcomings in the management of E&S risks. 	<p>a/b. Throughout Project implementation. Evaluation package shall be submitted to the Bank’s assessment and non-objection as early as possible during subproject’s appraisal stage. Terms of Reference shall be submitted to the Bank’s non-objection</p> <p>c. Throughout Project implementation</p>	<p>BASA</p>
<p>1.6 MANAGEMENT OF CONTRACTORS</p> <p>Cause FI sub-borrowers to: a) incorporate the relevant E&S Obligations (as per BASA ESMS) into the E&S specifications of the procurement documents and contracts with contractors for large infrastructure construction works, including those related to the compliance with the applicable ESSs requirements as describe in this ESCP (see Action 1.2.d) and, thereafter; b) take measures to ensure that the contractors comply with and require their subcontractors to comply with the E&S specifications of their respective contracts.</p>	<p>Throughout Project implementation</p>	<p>BASA</p>
<p>1.7 ACTIVITIES SUBJECT TO RETROACTIVE FINANCING</p> <p>Submit to the Bank an E&S compliance report including the necessary information (i.e., risk assessment reports, technical notes, E&S documentation, etc.) regarding all activities subject to retroactive financing, evidencing measures set out as contractual clauses, if any, and that the conditions defined by BASA ESMS and required by this ESCP have been met. The POM will further define the content and format of the corresponding report.</p>	<p>As part of the submission of the request for retroactive financing.</p>	<p>BASA</p>
<p>1.8 ASSOCIATED FACILITIES</p> <ul style="list-style-type: none"> a. Identify any associated facilities of the subprojects as part of the screening and assessment process, including the level of influence and control the sub-borrowers have over the associated facility, and report to the Bank accordingly. As per the ESS1, associated facilities means facilities or activities that are not funded as part of the project and, in the judgment of 	<p>Throughout Project implementation</p>	<p>BASA</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>the Bank, are: (a) directly and significantly related to the project; (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist. For facilities or activities to be Associated Facilities, they must meet all three criteria.</p> <p>b. In the cases where the sub-borrowers have control or influence over the associated facilities, as evidenced according to a) above, cause the sub-borrowers to comply with the applicable legislation with regard to E&S aspects, and any other additional requirements as determined by this ESCP.</p> <p>The POM will reflect the content and format of the corresponding identification, which will be part of the Bank’s evaluation package (Action 1.5 above).</p>		
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>a. Do not offer financial support to convicted customers (by a final and unappealable decision), whether in the administrative or judicial sphere, for acts involving racial and gender discrimination, child labor, slave labor, and moral or sexual harassment as per the list of Activities, projects and items not supported by the BASA.</p> <p>b. Incorporate in the sub-loan agreements E&S Obligations causing the FI Sub-borrowers, (their contractors and subcontractors) to comply with the requirements of the Country’s Labor Framework, which includes, <i>inter alia</i>, the country’s relevant policies, legal and institutional frameworks with regards to fair and equal treatment of the workforce, non-discrimination, freedom of association, working conditions and Occupational Health and Safety (OHS), zero tolerance with child and forced labor and SEA/SH.</p>	Throughout Project implementation	BASA
2.2	<p>CODE OF CONDUCT</p> <p>Provide information, carry out awareness raising campaigns, and cause direct and contracted project workers (i.e., those who are employed or engaged to perform works that are essential for a specific project activity and without which the project cannot continue, regardless of location) to abide by the standards of behavior to combat discrimination, moral and sexual harassment, abuse, and exploitation as state in BASA’s Code of Ethics and Integrity and Conduct Guide and the country legislation.</p>	Throughout Project implementation	BASA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.3	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>a. Inform all workers directly engaged in Project activities about the grievance mechanism BASA has in place to raise concerns about workplace conditions.</p> <p>b. Cause FI sub-borrowers to provide their workers information on the governmental channels in place for raising concerns and complaints about working and workplace conditions.</p>	Throughout Project implementation	BASA
2.4	<p>FORCED LABOR RISKS IN THE SOLAR PANEL SUPPLY CHAIN</p> <p>For the subprojects which the acquisition of solar panels consists of a core function³ of the subproject, cause sub-borrowers, as applicable, to: i) request mandatory declarations from suppliers; ii) include qualification requirements to assess suppliers’ ability to manage labor risks; and iii) include reinforced contractual provisions prohibiting the use of forced labor.</p>	Throughout Project implementation	BASA
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>Incorporate in the sub-loan agreements E&S Obligations causing the FI Sub-borrowers (their contractors and subcontractors) to adopt in their subprojects and monitor the implementation of the material measures to: ensure efficient use of raw materials, optimization of energy and water use, ensure the safe management of hazardous and non-hazardous waste (including special attention to measures for managing end-of-life solar panels and batteries), and chemicals, proper treatment of wastewater and other industrial effluents, among other, as applicable, as required by the Brazilian environmental legislation and ESS 3.</p>	Throughout Project implementation	BASA
3.2	<p>WATER USE</p> <p>For subprojects with high-water demand, and located in critical areas of water availability, as identified in the ESMS screening instruments, cause the sub-borrowers to obtain the applicable water use permits and take measures, as part of their ESMPs – to the extent technically and financially feasible – to i) minimize water usage so that their subprojects have no significant adverse impacts on communities, other users and the environment, ii) adopt water conservation measures and improve water use efficiency, iii) identify and use alternative water supplies or water consumption offsets to maintain total demand for water resources within the available supply, and; iv) monitor and periodically report water use volumes and opportunities for increased efficiency.</p>	Throughout Project implementation	BASA

³ As per the ESS1 Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>COMMUNITY HEALTH AND SAFETY RISKS</p> <p>Incorporate in the sub-loan agreements E&S Obligations causing the FI Sub-borrowers (their contractors and subcontractors) to adopt in their subprojects and monitor the implementation of the material measures to minimize and mitigate adverse impacts on community health and safety (including, <i>inter alia</i>, emergency preparedness and response, traffic and road safety, life and fire safety of buildings used for communal/public purposes, impacts on ecosystem services, exposure to communicable diseases and/or hazardous materials, SEA/SH incidents and potential harms to human security due to the retainment of direct or contracted workers to provide security to safeguard subproject’s personnel and property) as required by the country’s environmental licensing legislation and ESS 4.</p>	Throughout Project implementation	BASA
4.2	<p>INFRASTRUCTURE AND EQUIPMENT DESIGN AND SAFETY</p> <p>For the subprojects situated in locations that are at high-risk of floodings, landslides, forest fires, water scarcity and extreme temperatures, as identified through BASA E&S screening procedure and the subproject's E&S impact assessments, cause the sub-borrowers to</p> <ul style="list-style-type: none"> i. retain Independent Specialists (one or more), with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in subproject development and throughout the stages of subproject design, construction, operation, and decommissioning for subprojects. ii. obtain the proper authorizations according to the applicable legislation and the requirements of the local Civil Defense, as applicable, and; iii. have in place material measures to manage those risks, as defined in their respective ESMPs and in a manner consistent with ESS4. 	Throughout Project implementation	BASA
4.3	<p>DAM SAFETY</p> <ul style="list-style-type: none"> a. For any subproject involving the construction of “small dams” with potential safety risks, as determined in the E&S impact assessments and the Brazilian Dam Safety legislation, cause sub-borrowers to provide evidence of: <ul style="list-style-type: none"> i. Reviews by an independent panel of experts (the Panel) of the investigation, design, and construction of the dam and the start of operations; ii. Preparation and implementation of a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan; 	Throughout Project implementation	BASA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> iii. Prequalification of bidders during procurement and bid tendering; and iv. Periodic safety inspections of the dam after completion, and implementation of measures required to address safety deficiencies. b. For subprojects involving the construction of dams that do not fall into the category set out in the description above, cause sub-borrowers to provide evidence that dam safety measures designed by qualified engineers in accordance with GIIP will be adopted and implemented. 		
4.3	<p>SEA AND SH RISKS</p> <ul style="list-style-type: none"> a. Classify the SEA/SH risk as Substantial or High, subprojects with high labor influx, located near communities, especially vulnerable or isolated ones, and those and areas with difficult supervision. b. Cause sub-borrowers to broadly disseminate BASA’s Code of Ethics and Integrity and Conduct Guide among project workers and FI sub-borrowers. c. Ensure compliance with the Social Clause of BASA’s financing contracts, prohibiting discrimination and harassment, among other things. d. Enforce BASA’s Exclusion List that prohibits the grant of financing to companies or individuals who are convicted of moral or sexual harassment (by a final and unappealable decision). e. For subprojects with high or substantial SEA/SH risk, require sub borrowers to implement a SEA/SH Prevention and Mitigation Action Plan. 	Throughout Project implementation	BASA
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	<p>LAND ACQUISITION LEADING TO INVOLUNTARY RESETTLEMENT PROCEDURES</p> <ul style="list-style-type: none"> a. Do not grant financing to subprojects that are located in lands which acquisition led to physical or economic displacement, or restricted access to natural resources in legally designated parks and protected areas, or where forced evictions occurred in anticipation of their implementation (Exclusion List). b. Ensure that the FI Sub-borrowers provide evidence that the lands for subproject location acquired through expropriation according to the country’s law did not lead to physical and/or economic displacement, did not impose restrictions on access to land and natural resources, and did not involve forced eviction in anticipation for the subproject. 	a-c. Prior to the granting of the financing under the Subprojects.	BASA

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> c. Report to the Bank of subprojects that have acquired land through expropriation, in accordance with the country's legislation, and that compensation was carried out covering replacement cost (market value and transaction costs).and inform the Bank of the evidence required in Action b above. 		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES		
<p>6.1 USE OF BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES BORROWER'S FRAMEWORK</p> <ul style="list-style-type: none"> a. Do not grant financing to subprojects/companies whose activities are listed in BASA existing exclusion list, and other financing restrictions, including any other particular conditions as determined in the Project's Exclusion List (Action 1.4). b. Incorporate in the sub-loan agreements E&S Obligations causing the FI Sub-borrowers (their contractors and subcontractors) to adopt and implement the material measures to protect and conserve biodiversity and habitats and; support livelihoods of local communities and inclusive economic development, through the adoption of practices that integrate conservation needs and development priorities, required by the environmental legislation and the E&S risk assessment carried out by BASA, as applicable. 	<p>Throughout Project implementation according to the timeframe set in Actions C and 1.5 (above)</p>	<p>BASA</p>
<p>HABITAT IDENTIFICATION AND MANAGEMENT</p> <ul style="list-style-type: none"> a. If subprojects directly or indirectly intervene in environmental protection areas, or will involve significant forest clearing requirements, as defined in the ESMS screening procedure, cause the sub-borrowers to identify/characterize the affected habitat, and provide applicable evidence of such assessment, in a manner consistent with the ESS6. The POM will further define the content and format of the corresponding report. b. Cause sub-borrowers whose subprojects may pose significant risk and adverse impacts on biodiversity, natural or modified habitats to comply with the requirements of the environmental licenses and the Brazilian legislation. c. For subprojects that may cause adverse impacts on natural habitats and their biodiversity values, in addition to Action "b" above, cause the sub-borrowers to evidence that: <ul style="list-style-type: none"> i. there are no technically and financially feasible alternatives (alternative analysis). 	<p>Throughout Project implementation according to the timeframe set in Actions C and 1.5 (above)</p>	<p>BASA</p>

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>ii. appropriate mitigation measures are put in place, in accordance with the mitigation hierarchy, to achieve no net loss (biodiversity (the point at which project-related biodiversity losses are balanced by gains) and, where feasible, preferably a net gain of biodiversity over the long term (additional conservation outcomes that can be achieved for the biodiversity values for which the natural habitat was designated).</p>		
<p>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</p>		
<p>7.1 PROCEDURES TO AVOID, MINIMIZE, MITIGATE OR COMPENSATE ADVERSE IMPACTS ON INDIGENOUS PEOPLES</p> <p>a) Not grant financing to subprojects that may have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; or may cause relocation of Indigenous Peoples from land and natural resources subject to traditional ownership or under customary use or occupation; or may have significant impacts on Indigenous Peoples’ cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous Peoples’ lives</p> <p>b) Ensure that the potential impacts (any impacts and/or benefits considered acceptable, that is, that are not described in the exclusion list) of project activities on Indigenous Peoples are/has been assessed, consultations with the affected Indigenous Communities are/have been conducted in a culturally appropriate manner, and Mitigation Plans aimed to minimize, mitigate and/or compensate for such impacts are/have been developed in a participatory manner and approved by the Indigenous Peoples National Foundation (FUNAI) – as required under the Brazilian environmental licensing process (the Indigenous Component of the subproject’s ESMP).</p> <p>c) Incorporate in the sub-loan agreements E&S Obligations ensuring the FI Sub-borrowers, based on the Monitoring Program of the Mitigation Plan, inform BASA on its implementation progress periodically and by the end of its execution.</p> <p>d) Report to the Bank on i) subprojects that may interfere (any impacts and/or benefits considered acceptable, that is, that are not described in the exclusion list) with Indigenous Peoples, and ii) the measures taken to avoid, minimize, mitigate or compensate for potentially adverse impacts.</p>	<p>a-d. Prior to the granting of the financing under the Subprojects.</p>	<p>BASA</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 8: CULTURAL HERITAGE			
8.1	<p>CULTURAL HERITAGE PROTECTION</p> <p>Incorporate in the sub-loan agreements, as applicable, E&S Obligations causing the FI Sub-borrowers (their contractors and subcontractors) to i) comply with the country’s framework on cultural heritage protection (both tangible and intangible) and the relevant requirements of ESS 8 and ii) adopt and implement the material measures required by the environmental and social risk assessment carried out by BASA.</p>	a. Throughout Project Implementation.	BASA
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM</p> <p>a) Screen and evaluate environmental and social risks and impacts of proposed subprojects and classify them according to BASA’s category system and applying the list of activities, projects and items not supported by the BASA.</p> <p>b) As per BASA Environmental and Social risk methodology, classify as Category High or Critical subprojects that i) involves involuntary resettlement (unless the risks or impacts of such resettlement are minor), ii) adverse risks or impacts on Indigenous Peoples or iii) significant risks or impacts (i.e., the potential risks and impacts associated with the subproject: are either long term, permanent, irreversible, and impossible to avoid entirely due to its nature, or mostly temporary, predictable, reversible, but substantial investment and time may be required to avoid or reverse them; are high in magnitude or in spatial extent; have potential for cumulative or transboundary impacts; and affect areas of high value and sensitivity – such as sensitive and valuable ecosystems and habitats, lands or rights of Indigenous People and Traditional Communities, cultural heritage sites; or may give rise to social conflict and there are concerns over the capacity and experience of the sub-borrower in managing stakeholder engagement) on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage.</p> <p>c) Comply and cause FI sub-borrower to comply with the requirements of BASA’s ESMS, E&S Obligations related with the management of the environmental and social risks and impacts of their subprojects, and the additional material measures set in this ESCP.</p>	<p>a., b., and c. Throughout Project implementation. Evidence shall be provided to the Bank as part of the submission/approval package (see Action 1.5) and also as part of the Project Progress Reports.</p> <p>d. No later than 48 hours after learning of the said changes.</p> <p>e. No later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.</p>	BASA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>d) Promptly notify the Bank of: i) any changes to the ESMS that may materially adversely affect the Borrower’s capacity to screen, identify, classify and monitoring FI subproject’s environmental and social risks and to cause FI sub-borrowers to adopt and implement the E&S Obligations agreed in the sub-loan agreements for proper management of the environmental and social risks of their subprojects in a consistent manner with the requirements of BASA’s ESMS and PRSAC, the country framework, the World Bank Environmental and Social Standards, and this ESCP.</p> <p>e) Immediately agree with the Bank on measures to be taken to address said changes and to be inserted in an updated ESCP to ensure FI subprojects’ environmental and social risks are managed in a manner consistent with the objectives and requirements of the relevant ESSs.</p>		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>CONSULTATION AND INFORMATION DISCLOSURE</p> <p>a. Publicly disclose a Project-level E&S risk summary report, which will include, at minimum, the description of the Project, key environmental and social risks and impacts of the anticipated subprojects and associated mitigation measures. BASA shall make available a channel for receiving and responding to interactions from stakeholders.</p> <p>b. Conduct stakeholder engagement and consultation activities with high-level and strategic stakeholders on the Project and its key environmental and social risks and impacts, and associated mitigation measures.</p>	Before Project Appraisal	BASA
10.2	<p>STAKEHOLDER ENGAGEMENT</p> <p>a. Publicly and timely advertise through its external communications mechanisms relevant information on the Project and the FI subprojects.</p> <p>b. Cause all sub-borrowers to disclose all relevant E&S documentation as required by the country’s legislation, regardless of the subproject risk categorization.</p> <p>c. Cause all sub-borrowers to put in place procedures for external communications and information disclosure on environmental and social matters and stakeholder engagement, in a manner proportionate to the risks and impacts of their respective subprojects</p> <p>d. Cause sub-borrowers of High-risk subprojects (per BASA ESMS) to: (i) disclose information related to the subprojects, including relevant E&S assessments, management plans and programs, monitoring reports and any documents required by the application of the ESSs, and (ii) keep open channels for interaction with affected communities (giving particular attention to vulnerable and culturally distinct social groups that may be affected), and report on these activities to BASA.</p>	Throughout Project implementation	BASA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.3	<p>GRIEVANCE MECHANISM</p> <p>a) Cause FI sub-borrowers implementing subprojects to put in place and operate throughout the subproject’s life cycle an accessible grievance mechanism, ensuring accessible channels for all stakeholders to raise concerns and obtain resolutions.</p> <p>b) Maintain BASA’s existent Ombudsman System throughout Project implementation Report to the World Bank on the operation and efficiency of the grievance mechanism.</p>	<p>a/b. Throughout Project implementation</p> <p>c. Bi-annually throughout Project implementation</p>	BASA
<p>INDICATORS FOR IMPLEMENTATION READINESS</p> <p>The following actions are indicators for implementation readiness:</p> <ul style="list-style-type: none"> • A • 1.1 • 10.1 			