

La Vegona HPP Project – Environmental and Social Action Plan (ESAP v. Final)

Issue	Actions	Timing	Responsible
<i>PS1- Social and Environmental Assessment and Management System</i>			
In the EIA, description of impacts and detail mitigation measures associated with quarries, disposal areas, and tail race channel need to be strengthened. Ecological baseline was also limited, and aquatic and riparian ecological monitoring and mitigation plans and measures needed to be detailed and further developed.	Present in form and content acceptable to the Lenders: I. Assessment of impact of the quarries, borrow and disposal areas and tail race, and propose site specific mitigation programs. II. Develop a water quality and ecological monitoring program. This should include as a minimum, a detailed sampling protocol of physical, chemical, and biological characteristic of the Projects' direct influence area, to be applied for the construction and operation phases, with a clear definition of expected impacts and risks associated with the operational parameters and mitigation measures thereof. (PS6)	I. Prior to First Disbursement or to the commencement of major infrastructure works, whichever occurs first. II. Prior to First Disbursement. Monitoring should take place as a minimum, every six months during construction and first year of operation, and yearly thereafter.	COHERSA
<u>Environmental Management Plans and Procedures:</u> The EIA presents only generic ToRs of the ESHS plans and procedure required. An Occupational Health and Safety Manual has been developed. However, detailed monitoring and management plans have to be developed containing following information: - Item (measure, environmental aspect) to be monitored. - Aims to be reached by the proposed measure. - Method to be applied for the monitoring, indicators. - If applicable: monitoring sites and frequency of monitoring. - Responsibilities for: - carrying out the mitigation measures; - internal monitoring (e.g. EHS Unit of the contractor); - external monitoring, if any (e.g. PoE, Environmental Protection Authority) - reporting (frequency, to whom); - taking remedial actions, if required;	For construction, COHERSA must develop, and present in form and content acceptable to the Lenders: I. Install a project Community Information and Relations Center (CIRC) and develop detailed Community Relation plan, including an external grievance mechanism. II. EHS Framework to manage all the components as a single Project and all contractors, suppliers and sub-contractors, with clear policies, plans, and procedures, responsibilities (e.g. final organization structure) and accountabilities. III. Detailed matrix outlining all the ESHS plans and procedures which need to be in compliance with Honduran law (Mitigation measures provided by SERNA) in and IFC EHS guidelines. IV. An Environmental Mitigation and Monitoring Plan which shall include, but be not limited to: a. Traffic management plan. b. Health and safety management plan (including site hygiene, emergency preparedness and response measures and trainings for health). c. Pollution prevention and control plan, including	I. November 30th, 2010 - II – IV(a-d) - Prior to First Disbursement or to the commencement of major infrastructure works, whichever occurs first - IV(e)(i) Nov. 30, 2010 - IV(e)(ii) June 30, 2011 - IV(e)(iii) March 30, 2011	COHERSA and Contractor

- covering costs of monitoring activities. - Costs of monitoring activity. The costs for individual monitoring activities will then sum up to an overall budget for implementing the Environmental Monitoring Plan. These detail plans are needed for EISA to commence construction in compliance with the Environmental License and with IFC EHS requirements under PS1.	- hazardous material and waste management plan. d. Environmental monitoring plan, including water quality air emission, noise, erosion, fauna, flora, etc. (PS6) e. Forest clearing plan for the (i) construction, (ii) reservoir, and (iii) transmission line.		
	For operation, COHERSA must developed, and present in form and content acceptable to the Lenders: I. Detailed matrix outlining all the EHS plans and procedures which needs to be in compliance with Honduran law (Mitigation measures provided by SERNA) and IFC EHS guidelines, including permanent community information and engagement, emergency preparedness and response, and the water quality, aquatic and riparian ecology monitoring plan. II. Detail Watershed Management Plan including Detail Reforestation Program.	I. June 30th , 2011 II. June 30th , 2012	COHERSA
<u>Training:</u> No EHS training or capacity building plans or programs were developed by the time of the appraisal site visit.	COHERSA must develop a training program for COHERSA personnel, as well as contractors and subcontractors on EHS management plans and procedures.	For construction it must be presented by November 30 th , 2010 and by for Operations by January 20 th , 2012.	COHERSA
<u>Monitoring and reporting:</u> COHERSA has an ESHS department which is responsible to monitor and control the contractors. Additionally, as part of the Loan Agreement, COHERSA must agree with the IFC on the format template for the Annual Monitoring Report (AMR).	Develop the ESHS monitoring, supervision and reporting procedure/Framework Agree on the AMR format	Prior to First Disbursement or to the commencement of major infrastructure works, whichever occurs first. Prior to financial closing, and to be a Schedule of the Loan Agreement.	COHERSA IFC in agreement with other Lenders and COHERSA
PS2- Labour and Working Conditions			
COHERSA is in the process of adapting the HHRR Policy and Procedures of ELCOSA.	COHERSA must present in form and content acceptable to the Lenders: HHRR Policy and procedure including, as a minimum: (a) prohibition of any type of child and/or forced labour, (b) the implementation of equal opportunity and non-discriminatory hiring and promotion policies, (c) description and full disclosure of the workers/employees rights and duties, including freedom of association and collective bargain, (d) articulation of preferential hiring to members of the local communities and specially of the communities directly affected by the Project, taking into	Prior to Board Approval	COHERSA

	consideration the required abilities, experience and capacities in order to assure the worker's safety and the project's successful development and (e) a non-retaliatory internal grievance mechanism to received and process any employees complains or work related conflicts or issues. Compliance with these policies and procedures will be mandatory to all contractors and sub-contractors, and the ESMPs will include a mechanism for COHERSA to supervise and document compliance.		
A complete occupational health and safety (OHS) manual has been developed for the construction phase , but during the due diligence a couple of areas of improvements were detected and must be strengthened. Additionally no operation OHS manual has been presented.	COHERSA must present in form and content acceptable to the Lenders: • Procedures for working in and near water (throwing lines, life buoy, do not work alone near water, training on emergency procedures for the staff, etc.) • First aid course for workers • Workshop on prevention and treatment of communicable diseases (Malaria, Dengue, TBC, HIV/AIDS and STDs). • An operation OHS manual.	Prior to First Disbursement or to the commencement of major infrastructure works, whichever occurs first. Operational OHS procedures at least by June 30th, 2011.	COHERSA
<i>PS3 – Pollution Prevention and Abatement</i>			
No pollution site specific prevention and abatement (PPA), nor emergency preparedness and response (EPR) procedures were available during the appraisal site visit.	COHERSA has to present detailed PPA plan for construction and operation in form and content satisfactory to the Lenders, outlining: (i) expected pollution sources (e.g. air emissions and noises, wastewater and solid and hazardous waste, explosives) (ii) proposed emission standards to be applied, (iii) pollution control and mitigation measures an procedures (e.g. spoils disposal, erosion control, drainage and run-off management, explosive storage and handling), (iv) spill prevention and emergency response plan and (v) monitoring, and reporting procedures.	Construction PPA and EPR procedures must be presented prior to First Disbursement or to the commencement of major infrastructure works, whichever occurs first. Operational PPA and EPR procedures by November 30th, 2011.	COHERSA
<i>PS4 – Community Health, Safety, and Security</i>			
The community engagement and relations performed to date have been limited to the EIA consultation process, and to direct negotiations between COHERSA and the local municipal governments.	COHERSA must install a project Community Information and Relations Center (CIRC) and develop a detailed Community Relation and Engagement Program developed, including an external grievance mechanism. The information presented / disclose in the CIRC, includes but is not limited to: • Project (posters, diagrams, easy to read explanation on project features, environmental and social risk and benefits, and COHERSA CSR commitments. • Job opportunities, postings and clear job applications hiring mechanism. • Awareness and education information booth on health	PIC installed by November 30th, 2010 Community Relations and Engagement Program, including external grievance mechanism by First Disbursement but prior to any major construction work.	COHERSA

	(Malaria, Dengue, TBC, HIV/AIDS and STDs) How to get infected, how to recognise symptoms, what should be done and on the prevention measures. Blasting operations: announcing blasting, safety measures to be taken for nearby population (if any); if buildings are located in the vicinity of quarries, an inventory should be carried out prior to the start of blasting in order to be able to answer to claims concerning damage to buildings due to vibrations caused by blasting.		
No dam safety nor community risk awareness and emergency preparedness management plan. It was explained by COHERSA that the Comission Permanente de Contigencias (COPECO) is responsible to give instructions on the emergency preparedness and contingency plan.	COHERSA will prepare, in form and content acceptable to the Lenders, an EPRP that will specify the roles of responsible parties when expected flow (operational or emergency) releases threatens downstream life, property, and/or economic activities, including (a) types of emergencies/ contingencies, both natural and man-made (e.g. earthquakes, flooding, hurricanes, extraordinary flows, etc), (b) direct area of influence in case of La Vegona's extraordinary flows, (c) an early warning system for emergency situations, as well as operational unusual and/or maintenance planned releases, and (d) community / third party communication and emergency identification / evacuation training. La Vegona's EPRP will also define its strategic insertion within COPECO's EPRP, including proposed improvements to COPECO's EPRP in the following areas: (e) clear statements on the responsibility for dam operations decision making and for the related emergency communications; (f) maps outlining inundation levels for various emergency conditions; (g) flood warning system characteristics; and procedures for evacuating threatened areas and (h) mobilizing emergency forces and equipment. COHERSA is expected to become a full partner of the existing monitoring and early warning and emergency response plan.	EPRP prepared in from and content acceptable to the Lenders by November 30th, 2011. A formal communication from COHERSA to COPECO with proposed approach by November 30th, 2011.	COHERSA
Traffic Management Plan at construction site and for access roads leading to the construction site	Present a Traffic management plan, which outlines appropriate behaviour in transportation and operation of heavy vehicles and machinery in public roads, and clearly specify sanction associated to inappropriate conduct. This should include mandatory requirement of Defensive Driving training for construction drivers, traffic control during blastings, and schedule to avoid heavy traffic during school entrance and dismissal hours.	Prior to First Disbursement but at any case prior to commencement of any major construction	COHERSA and Contractor

<i>PS6 –Biodiversity Conservation and Sustainable Natural Resource Management</i>			
The aquatic ecological and riparian baseline was very limited. The flow regime of the river will remain regulated by El Cajón, so the only significant impact will be associated to the 8 km stretch of the river that will be flooded and become a reservoir.	To be able to document whether the degradation of the natural habitat generated by the Project is not significant, COHERSA will develop a Water Quality and Aquatic Ecology Monitoring program, that will include as a minimum, a detailed sampling protocol of physical, chemical, and biological characteristic of the Projects' direct influence area, to be applied for the construction and operation phases, with a clear definition of expected impacts and risks associated with the operational parameters, thresholds, and mitigation measures thereof. Additionally, COHERSA will develop a Watershed Management program including Reforestation and a pesticide usage and management.	Water Quality and Aquatic Ecology Monitoring program prior to First Disbursement. Proposed mitigation measures associated to the potential habitat modifications as a result of the controlled river flow, if any, by July 18th, 2012. Watershed Management Plan by June 30th, 2012.	COHERSA
<i>PS8 – Cultural Heritage</i>			
It is reported that archaeological sites from the pre-Columbian time have been found near the project area, which will not be affected by the project. A cultural heritage survey has not been carried out and was not required by the TOR prepared by SERNA.	In compliance with PS8, the Company must develop a Chance Finds Procedure which will include (i) instantaneous stop of any construction work , (ii) contact and deployment of the field archaeologist on-call, (iii) notification to the local authorities, and (iv) excavation, recovery, and documentation required thereof.	Prior to Board Approval	COHERSA