

The Oriental Republic of Uruguay

Ministry of Economy and Finance

**Institutional Strengthening for Greater
Competitiveness in Uruguay (P180638)**

Negotiated Version

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

October 26, 2023

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Oriental Republic of Uruguay (the Borrower) will implement the Institutional Strengthening for Greater Competitiveness in Uruguay Project (the Project), with the involvement of the Ministry of Economy and Finance, as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the referred 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 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.
4. As agreed by the 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 its Ministry of Economy and Finance, and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Project Implementation Unit Coordinator or the Project Coordinator both under the Ministry of Economy and Finance. 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 Bank regular monitoring reports on the environmental, social, health, and safety (ESHS) performance of the Project, including but not limited to the status of preparation and implementation of ESHS actions set out in this ESCP and the Operational Manual, such as stakeholder engagement activities, functioning of the grievance mechanism(s), and the implementation of the Borrower’s Environmental and Social Framework in relation to the Project.</p>	<p>Submit six-monthly reports to the Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than forty-five (45) days after the end of each reporting period.</p>	<p>Ministry of Economy and Finance (MEF)</p>
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the 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), accidents that result in death, serious or multiple injury, gender-based violence, ethnic discrimination, or xenophobia.</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. Subsequently, at the 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 Bank no later than forty-eight (48) hours after learning of the incident or accident.</p> <p>Provide subsequent reports, if required, within a timeframe acceptable to the Bank.</p>	<p>MEF</p>
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain a Project Coordinating Unit (PCU) with qualified staff and resources to support the management of ESHS risks and impacts of the Project, including one Environmental Focal Point and one Social Focal Point that will coordinate all environmental and social risk management actions, respectively.</p>	<p>Establish and maintain the PCU, as set out in the Loan Agreement, and thereafter maintain the PCU staff throughout Project implementation.</p>	<p>MEF</p>
1.2	<p>BORROWER ENVIRONMENTAL AND SOCIAL (ES) FRAMEWORK</p>	<p>1. Throughout Project implementation.</p>	<p>MEF</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>1. Ensure that the ESHS risks and impacts of the Project, including in relation to labor and working conditions, are managed in accordance with this ESCP and the Borrower’s ES Framework, which includes <i>inter alia</i>, the country’s relevant policy, legal and institutional framework, including its national, departmental or local implementing institutions and applicable laws, regulations, procedures and implementation capacity.</p> <p>2. Promptly notify the Bank of any changes to the Borrower ES Framework that may materially adversely affect the Borrower’s ability to manage the ESHS risks and impacts of the Project in line with the ESSs and the immediate measures taken or that are planned to be taken to address said changes and the ensuing potential risks and impacts of the Project. If, in the opinion of the Bank, such changes adversely affect relevant ESHS risk management aspects of the Project, the Borrower shall agree to implement measures and actions to address them in a manner acceptable to the Bank and shall update the ESCP to reflect such agreed actions.</p>	<p>2. Notify the Bank immediately after taking notice of the change to the Borrower ES Framework. Subsequent actions, if requested by the Bank, shall be reflected in an updated ESCP as indicated in paragraph 4 of the Initial Section of this ESCP.</p>	
1.3.	<p>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 Bank that are consistent with the ESSs and the Borrower ES Framework. Thereafter, ensure that the outputs of such activities comply with the terms of reference.</p>	<p>Throughout Project implementation.</p>	<p>MEF</p>
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT</p> <p>Ensure that the labor management and working conditions of Project workers are consistent with this ESCP and with the Borrower’s ES Framework, as set out in action 1.2.</p>	<p>Throughout Project implementation.</p>	<p>MEF</p>
2.2.	<p>TERMS AND CONDITIONS OF EMPLOYMENT</p> <p>Ensure that all Project workers receive, through written agreements or other documents provided together with orientation sessions, information, and documentation that is clear and understandable regarding their terms and conditions of employment under the Borrower’s ES Framework, including, <i>inter alia</i>, rights relating to working hours, wages, overtime, compensation and benefits, prior written notice of termination of employment, and details of severance payments, as appropriate.</p>	<p>Throughout Project implementation.</p>	<p>MEF</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.3.	<p>TRAINING AND ORIENTATION</p> <p>1. Ensure that all Project workers receive training and sensitization to prevent and address SH and SEA. Within the framework of these trainings and actions, workers shall be informed, <i>inter alia</i>, about the applicable regulations, protocols, and procedures that exist within and outside of their workplace, including ways of accessing the Project’s grievance mechanisms (GMs).</p> <p>2. Ensure that all Project workers receive orientations about their terms of employment and working conditions.</p>	<p>1. Throughout Project implementation.</p> <p>2. Throughout Project implementation.</p>	MEF
2.4.	<p>EQUALITY OF OPPORTUNITIES IN ACCESS AND CONDITIONS OF WORK</p> <p>Public entities and State enterprises that employ Project workers shall promote positive actions geared toward building capacity to improve accessibility to employment for women, afrodescendants, LGBTI+ persons, and persons with disabilities, in line with, <i>inter alia</i>, National Law No. 19.122 on Affirmative Actions in Employment, Law No. 19.210 on Financial Inclusion, and Law No. 18.651, on Integral Protection of Persons with Disabilities.</p>	Throughout Project implementation.	MEF
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>E-WASTE MANAGEMENT</p> <p>Implement procedures to safely dispose, recycle, or reuse electronic waste of the Project, consistent with ESS3 and Law No. 19.829 of Integrated Waste Management, as further detailed in the POM.</p>	Throughout Project implementation.	MEF
3.2	<p>ENERGY EFFICIENCY</p> <p>Ensure that electronic equipment or devices purchased under the project comply with energy efficiency standards set out under the Borrower’s ES Framework and that specific requirements are included in the technical specifications.</p>	Throughout Project implementation.	MEF
ESS 4: COMMUNITY HEALTH AND SAFETY – Not relevant			

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
Not relevant because the Project does not anticipate any potential risks and/or impacts covered under ESS4.		
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT – Not Relevant		
Not relevant because the Project does not anticipate the need for land acquisition, restriction on land use and/or physical or economic resettlement, consistent with the descriptions in ESS5.		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES – Not Relevant		
Not relevant because the Project does not anticipate any potential risks and/or impacts relevant to ESS6.		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES – Not Relevant		
Not relevant because there are no indigenous peoples in the Project area, according to the definition in ESS7.		
ESS 8: CULTURAL HERITAGE – Not relevant.		
Not relevant because the Project does not anticipate the any potential risks and impacts related to intangible and tangible cultural heritage relevant to ESS8.		
ESS 9: FINANCIAL INTERMEDIARIES – Not Relevant		
Not relevant because the Project is not a financial intermediation operation, according to the definition set out in ESS9.		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE		
<p>10.1 STAKEHOLDER ENGAGEMENT PREPARATION AND IMPLEMENTATION</p> <p>1. Carry out stakeholder engagement in relation to the Project, in line with the Borrower’s ES Framework, which for stakeholder engagement includes, <i>inter alia</i>, Law No. 18.381 on Access to Public Information, Law No. 19.484 on Transparency and Ethics, Law No. 19.823 on Code of Ethic in Public Service, and National Open Government Action Plan 2021-2024 as further detailed in the POM. Pursuant to the reliance on the Borrower’s ES Framework, stakeholder engagement shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.</p> <p>2. Document the stakeholder engagement activities, including: (i) stakeholder mapping; (ii) description of consultations and participation mechanisms utilized and records of meetings held; (ii) feedback received and responses to said feedback; and (iv) measures to engage stakeholders who, because of their particular circumstances, may be disadvantaged or vulnerable.</p>	<p>1. Throughout Project implementation.</p> <p>2. Throughout Project implementation. Documentation shall be provided to the Bank through the regular reports under action A above, and upon the Bank’s written request.</p>	MEF
<p>10.2 PROJECT GRIEVANCE MECHANISM</p>	<p>1. Maintain and operate the grievance mechanism throughout Project implementation.</p>	MEF

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>1. Publicize, maintain, and operate an accessible grievance mechanism within the Ministry of Economy and Finance to receive and facilitate the resolution of concerns and grievances in relation to the Project promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p> <p>2. Track and report on the percentage of contacts (i.e., inquiries, complaints, grievances) responded to through the grievance mechanism within the stipulated timeline as per the service level agreements.</p>	<p>2. On a biannual basis throughout Project implementation together with the regular reports under action A above.</p>	
CAPACITY SUPPORT			
CS1	<p>CAPACITY BUILDING PLAN</p> <p>Prepare a plan for the development of ESHS capacities that includes a timeline and an estimated budget for training and activities aimed at improving MEF’s Environmental and Social specialists. Training will be focused, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> • Stakeholder mapping and engagement. • Labor and working conditions. • Climate change 	<p>Plan to be submitted to the Bank no later than sixty (60) days after the Effective Date and implemented throughout Project implementation thereafter. Changes may be made, as needed, throughout Project implementation.</p>	MEF