

The Oriental Republic of Uruguay

Ministry of Economy and Finance

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

Draft

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

October 24, 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 World 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 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.
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 or any material changes to the Borrower ES Framework applicable to the Project. In such circumstances, the Borrower through the Ministry of Finance 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 [name position of designated official, e.g. minister, director] of [name of the Project Implementing Entity, ministry or agency]. 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 status of preparation and implementation of E&S actions set out in the ESCP and POM, such as stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	<p>Submit six-monthly reports to the World Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the World Bank no later than forty-five (45) days after the end of each reporting period.</p>	
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), 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 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 report, if required, within a timeframe acceptable to the World Bank.</p>	
C	<p>MATERIAL CHANGES TO THE APPLICABLE BORROWER ES FRAMEWORK</p> <p>Promptly notify the Bank of any material changes to the Borrower ES Framework that may materially impact the Borrower’s ability to manage the ES 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 environmental and social risk management aspects of the Project, the Borrower shall agree to adopt 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>Notify the World Bank immediately</p>	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain a Project Implementation Unit with qualified staff and resources to support management of ESHS risks and impacts of the Project including one Environmental Focal Point and one Social Focal Point that will coordinate all actions related to environmental and social risk management, respectively.</p>	Establish and maintain a PIU, as set out in the Loan Agreement, and thereafter maintain these positions throughout Project implementation.	
1.2.	<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 World 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>	Throughout Project implementation.	
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>BORROWER’S LABOR FRAMEWORK.</p> <p>1. Ensure that the labor management and working conditions of Project workers are consistent with this ESCP and with the Borrower’s Labor Framework.</p> <p>2. Notify the Bank immediately of any material changes in the Borrower’s labor framework which may affect the Project, providing adequate details about said changes, including potential risks and impacts for Project workers, and the immediate measures taken or that are planned to be taken to address said changes and the ensuing potential risks and impacts for Project workers, in accordance with ESS2. If in the opinion of the Bank, such changes adversely affect relevant labor aspects and working conditions of the Project workers, the Borrower shall agree to adopt 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>1. Throughout Project implementation</p> <p>2. Throughout Project implementation</p>	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
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 labor framework, including, inter alia, 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>	Throughout Project implementation.	
2.3.	<p>TRAINING AND ORIENTATION</p> <p>1. Ensure that all Project workers receive training and sensitization to prevent and address sexual harassment, and sexual exploitation and abuse. Within the framework of these trainings and actions, workers shall be informed, inter alia, about the applicable regulations, protocols, and procedures that exist within and outside of their workplace, including ways of accessing the Project’s GMs.</p> <p>3. Ensure that all Project workers receive orientations about their terms of employment and working conditions.</p>	Throughout Project implementation.	
2.4.	<p>EQUALITY OF OPPORTUNITIES IN ACCESS AND CONDITIONS OF WORK</p> <p>1. 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 19,122 on affirmative actions in employment, Law 19,210 on financial inclusion, and Law 18.651, on Integral Protection of Persons with Disabilities.</p>	Throughout Project implementation.	
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>E-WASTE MANAGEMENT</p> <p>Adopt and Implement procedures to safely dispose, recycle or reuse electronic waste of the Project, consistent with ESS3 and Law Number 19,829/2009 of Integrated Waste Management, as further detailed in the POM.</p>	Throughout Project implementation.	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
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	
ESS 4: COMMUNITY HEALTH AND SAFETY – Not relevant			
Not applicable 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 applicable 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 applicable 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 applicable because there are no indigenous peoples in the Project area, according to the definition in ESS7.			
ESS 8: CULTURAL HERITAGE – Not relevant.			
Not applicable 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 applicable because the Project is not a financial intermediation operation, according to the definition set out in ESS9.			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Carry out stakeholder engagement in relation to the Project, in line with the Borrower’s framework for Stakeholder Engagement including, <i>inter alia</i>, laws on Access to Public Information (Law No. 18.381), Transparency and Ethics (Law No. 19.484), a National Open Government Action Plan 2021-2024 as further detailed in the POM, which 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>	Throughout the Project implementation.	
10.2	<p>PROJECT GRIEVANCE MECHANISM</p>	1. Maintain and operate the grievance mechanism throughout Project implementation.	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>1. Establish, publicize, maintain, and operate an accessible GM within Ministry of Economy and Finance, to receive and facilitate 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 Contact Centre within the stipulated timeline as per the service level agreements</p>	<p>2. On a biannual basis throughout Project implementation.</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 no later than sixty (60) days after the Effective Date, and thereafter implemented throughout Project implementation. Changes shall be made as needed throughout Project implementation.</p>	