

**MINISTRY OF FINANCE OF UKRAINE
STRENGTHENING GOVERNMENT CAPACITY
FOR FISCAL REFORM IMPLEMENTATION
(STRONG)
(P506476)**

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

August 2024

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Ukraine (the Borrower) will implement the Strengthening Government Capacity for Fiscal Reform Implementation (STRONG) (the Project), with the involvement of the Ministry of Finance (MOF), as set out in the Loan Agreement. The International Bank for Reconstruction and Development (hereinafter the Bank) has agreed to provide the 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(s).
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 Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Bank.
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 MOF and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the MOF, represented by the Minister of MOF. 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 implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	Semi-Annually throughout Project implementation. Coordinate with the Bank's Implementation Status and Results (ISR) Report.	MOF
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), and accidents that result in death, serious or multiple injury. 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 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 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the Bank within a timeframe acceptable to the Bank.</p>	MOF
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and thereafter maintain throughout Project implementation a Project Implementation Unit (PIU) with qualified staff and resources to support management of ESHS risks and impacts of the Project including social and environment specialists responsible for ensuring full compliance with the ESF and relevant instruments.</p>	<p>Maintain a PIU as set out in the Loan Agreement.</p> <p>Hire one environmental specialist and one social specialist not later than 60 days after the Effective Date and thereafter maintain these positions throughout Project implementation.</p>	MOF
1.2	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>Adopt and apply the environmental and social risk management measures for all activities under the project, as specified in this ESCP. These measures will be further detailed in the Project Operations Manual. Report on application of the measures.</p>	As part of the preparation of the Project Operations Manual within 90 days of the Effective Date	MOF
1.3	<p>TECHNICAL ASSISTANCE</p>		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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 EHS Guidelines. Thereafter ensure that the outputs of such activities comply with the terms of reference.	Throughout Project implementation.	MOF
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Prepare, adopt and implement the Labor Management Procedures (LMP) for the Project consistent with ESS2 that shall include the following provisions:</p> <ul style="list-style-type: none"> • Ensure that Project Workers, as defined under ESS2, i.e. directly engaged by the Borrower or through third-parties to work specifically in relation to the project a (direct and contracted workers) will be hired, promoted and their employment, where needed, terminated based on principles of non-discrimination and equal opportunity, no-harassment, and freedom of association; • Ensure that all Project Workers are provided with information and documentation that is clear and understandable regarding their terms and conditions of employment, their rights under national labor and employment laws, including payment of wages and deductions, periods of rest and leaving; • Ensure the adoption of appropriate occupational health and safety measures, in line with ESS2, at the workplace (no matter their locations and including without limitation on in-person training activities), which shall consider inter alia an assessment of the potential OHS risks associated with the tasks to be carried out and include mitigation measures and a program to train workers, in the Emergency Preparedness and Response Plan. • Ensure the adoption of a code of conduct that sets out measures against practices related with sexual exploitation and abuse/sexual harassment (SEA/SH) in the workplace, including the dissemination of the referral services available in the country to respond to such behaviors; and • Prohibit and ban child labor as well as forced labor, per ESS2 requirements and applicable national laws. <p>These procedures shall be further detailed in the Project Operations Manual (POM). Report on compliance with these labor management procedures.</p>	<p>Prepare, adopt these procedures 30 days after the Effective Date, and thereafter implement throughout Project implementation.</p> <p>Submit annual reports of compliance with these labor management procedures throughout project implementation.</p>	MOF

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a responsive Grievance Mechanism to allow Project Workers under ESS2 to quickly inform management of labor issues and raise workplace concerns and labor-related matters without retaliation. This mechanism will use the same uptake channels of the project's overall GM but follow separate avenues for the resolution of labor-related complaints. The GM for Project Workers will be further detailed in the Project Operations Manual. Report on the operation of the project workers GM.</p>	Establish Worker grievance mechanism within 30 days of the Effective Date and thereafter maintain and operate it throughout Project implementation.	MOF
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN</p> <p>Prepare and implement an E-Waste Management Plan for management of e-wastes resulting from procurement, installation and decommissioning of IT equipment, based on Ukraine national requirements and consistent with ESS3.</p>	Prepare and implement the plan by 3 months after the Effective Date, and before procuring, installing, and decommissioning any IT equipment, and thereafter implement the plan throughout project implementation	MOF
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.2	<p>COMMUNITY HEALTH AND SAFETY</p> <p>A War-Hazard Emergency Preparedness and Response Plan will be prepared outlining measures in response to community health and safety risks associated with the operating context, including measures to promote community awareness.</p>	Prior to start of activities involving in-person participation of general public	MOF
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
	Not relevant to the Project		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
	Not relevant to the Project		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	Not relevant to the Project		
ESS 8: CULTURAL HERITAGE			
	Not relevant to the Project		
ESS 9: FINANCIAL INTERMEDIARIES			
	Not relevant to the Project		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE (This section constitutes the Stakeholder Engagement Plan for the Project)			

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>10.1 Adopt and thereafter implement a Stakeholder Engagement Plan (SEP) consistent with ESS10. Incorporate stakeholder engagement and information disclosure measures in the implementation of the Activities, in a manner consistent with ESS10.</p> <p>To this end, ensure that the following measures are implemented:</p> <ul style="list-style-type: none"> a) Provide stakeholders with information about the environmental and social risks and impacts of the Activities in a timely, understandable, accessible, and appropriate manner and format, including but not limited to any environmental and social instruments prepared as part of the Activities; b) Consult stakeholders in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation, including with regards to any environmental and social instruments prepared as part of the Activities; c) Document the stakeholder engagement activities, including: (i) stakeholder mapping; (ii) description of consultations and participation mechanisms utilized, and records of meetings held; (iii) 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>(Adopt prior to Effective Date and) Implement the SEP throughout Project implementation.</p>	<p>MOF</p>
<p>10.2 PROJECT GRIEVANCE MECHANISM</p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanism, 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. The GM will be further detailed in the Project Operations Manual.</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>Establish grievance mechanism two weeks after Effective Date</p> <p>Publicize, maintain and operate the grievance mechanism throughout Project implementation.</p>	<p>MOF</p>
<p>CAPACITY SUPPORT</p>		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
CS1	Provide training, as needed, for relevant MOF directorates, PIU staff, stakeholders, communities, Project workers on: <ul style="list-style-type: none"> • Worker and community grievance mechanism • emergency preparedness and response • SEA/SH awareness and grievance response • Stakeholder engagement 	During project implementation as required.	MOF
CS2	Provide training for Project workers on occupational health and safety including on Emergency Preparedness and Response Plan.	Before undertaking each project activity involving in person attendance.	MOF