

People's Republic of Bangladesh

**Sustainable Micro-enterprise and Resilient
Transformation (SMART) Project
(P178996)**

Draft

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

January 2023

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The People's Republic of Bangladesh will implement the Sustainable Micro-enterprise and Resilient Transformation (SMART) Project (the **Project**), with the involvement of the Palli Karma-Sahayak Foundation (**PKSF**) under Finance Institution Division (the **Implementing Agency or IA**). The International Development Association (**World Bank**) has agreed to provide financing for the Project.
2. The People's Republic of Bangladesh 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 Subsidiary Loan and Grant Agreement (SLGA) and the Project 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 People's Republic of Bangladesh 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 World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
4. As agreed by the World Bank and the People's Republic of Bangladesh, 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 People's Republic of Bangladesh through PKSF 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 People's Republic of Bangladesh Additional Managing Director (AMD) of Palli Karma-Sahayak Foundation (**PKSF**) under Finance Institution Division. The People's Republic of Bangladesh 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 as per approved template 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, functioning of the grievance mechanism(s), updating the Environmental and Social Management System (ESMS) with reference to World Bank ESF and international good practices; and development and finalization of institutional mechanism to adopt and implement the ESMS.</p>	<p>Submit half yearly (every six-month) report to the World Bank throughout Project implementation (commencing after the Effective Date). Submit each report to the World Bank no later than 60 days after the end of each reporting period.</p>	<p>Project Management Unit (PMU) of PKSF</p>
B	<p>INCIDENTS AND ACCIDENTS</p> <p>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), and accidents that result in death, serious or multiple injury, serious mismanagement of in handling waste, security breach etc. 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 Partner Organization (PO), Micro Enterprise (ME) and/or supervising firm, as appropriate.</p> <p>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 on action taken on the same by seven (07) days of notifying the World Bank</p>	<p>PMU upon receipt of notification from POs/MEs</p>
C	<p>PARTNER ORGANIZATIONS’ MONTHLY REPORTS</p> <p>POs shall provide monthly monitoring reports to PKSF on ESHS performance in accordance with the metrics specified in the respective bidding documents, sub-project proposals and contracts, and submit such reports to the PKSF. PKSF will send one consolidated report to World Bank every 6 months.</p>	<p>Submit the quarterly reports to the PKSF and upon request of the World Bank share consolidated report as annexes to the six-monthly reports to be submitted under action A above.</p>	<p>POs will provide the reports after communicating with the respective MEs to PMU. PMU will share the consolidated report to World Bank.</p>
D	<p>NOTIFICATIONS RELATING TO DAAB COMPLIANCE REVIEW OF CONTRACTOR COMPLIANCE WITH SEA/SH PREVENTION AND RESPONSE OBLIGATIONS</p> <p>Notify the World Bank of any referral submitted to the Dispute Avoidance and Adjudication Board (DAAB) to initiate a process of compliance review in relation to a PO,/ME’s, obligations to prevent and respond to sexual exploitation and abuse (SEA), and/or sexual harassment (SH) specified in the respective works contract with such PO; and, in the event of any such referral, notify the World Bank of: (i) the DAAB’s decision on such referral; (ii) the PO’s Notice of Dissatisfaction, if any, with such DAAB decision; (iii) any notification received on the commencement of an emergency arbitration</p>	<p>No later than 7 days after the issuance or receipt, as applicable, of the relevant document (i.e., referral to the DAAB, issuance of DAAB decision, Notice of Dissatisfaction, notice of commencement of emergency/full arbitration, emergency/full arbitration order, as applicable).</p>	<p>PMU</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	proceeding or full arbitration proceeding in relation to the DAAB’s decision; and (iv) the resulting emergency arbitration order and/or full arbitration order, if any.		
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>a) Establish and maintain a PMU at PKSF level, with qualified staff and resources to support management of ESHS risks and impacts of the Project, including one Environmental Specialist, one Social Specialist, one E&S program officer and one program officer for gender. Until recruitment, in the interim period Environmental and Social Specialists of the ongoing Sustainable Enterprise Project will support E&S management and implementation of this Project.</p> <p>b) Establish an Environment Unit at PO level during the project period, with one E&S Officer who has experience in dealing with E&S related activities.</p>	<p>a) Within three months of project effectiveness. b) Within three (03) months of contract awarded by the PMU. Recruitment of the E&S Officer at PO level will be completed within three (03) months of the award of contract.</p> <p>Retain the Environment and Social Team of PMU and E&S Officer at each PO level for the entire period of Project implementation.</p>	PMU will be formed by PKSF and ECCU will be formed by respective POs.
1.2	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>a) PKSF’s ESMS was reviewed and recommendations made under ESS9 of ESF. PKSF shall update the ESMS as per review recommendations.</p> <p>b) Carry out E&S Screening for all the sub-projects according to template of the PKSF ESMS. Activities identified in the exclusion list (ESMS of PKSF) will be ineligible for support by SMART.</p> <p>c) Prepare sub-project specific ESMPs based on the screening outcomes.</p>	<p>a) Update the ESMS prior to Board approval. Maintain and implement the updated ESMS throughout Project implementation.</p> <p>b) E&S Screening to be carried out prior to selection of the sub-projects.</p> <p>c) ESMP to be developed within two months after recruitment of Environment and Social Officer of each sub-project.</p>	<p>a) ESMS to be updated by PKSF.</p> <p>b) E&S Screening to be carried out by POs, reviewed by PKSF, and submitted as part of contract documents</p> <p>c) ESMP to be developed by POs in consultation with the MEs with the guidance of Environment and Social Team of the PMU.</p>
1.3	<p>MANAGEMENT OF POs</p> <p>Ensure that the POs/MEs comply with the ESHS specifications of their respective contracts including, inter alia, the relevant E&S instruments, ESMS and code of conduct, into the ESHS specifications of the procurement documents and contracts with POs/MEs, as appropriate.</p>	Specifications to be included with procurement documents before floating tender and contract documents before signing of the contracts.	PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		Supervise POs/MEs throughout Project implementation.	
1.4	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the terms of reference for hiring consultants includes the E&S considerations acceptable to the World Bank that are consistent with the ESSs and ESMS of PKSf. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	During preparation of the bidding documents and throughout the Project implementation.	PMU
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Develop, adopt and implement the Labor Management Procedures (LMP) (integrated into the PKSf-ESMS) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements, appropriate working condition amidst a public health emergency (including measures against outbreak of COVID-19); provision of training/apprenticeship on handling emergency situation especially health related issues and incorporating labor requirements in the procurement documents and contracts with POs/MEs for Project workers, and applicable requirements for contractors, subcontractors and/or POs/MEs as required.</p>	Adopt the LMPs outlined in the PKSf ESMS before engaging workers and thereafter implement the LMP throughout Project implementation.	Subproject implementing POs/MEs and PMUs
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism (also responsive to SEA/SH) for the Project as described in the PKSf ESMS</p> <ul style="list-style-type: none"> Local level GRC for all sub-projects Project level GRC at PKSf-PMU 	Project level GRC will be formed within three months of the project effectiveness once PMU is formed. The existing Sustainable Enterprise Project GRM will be utilized by the SMART project until the project level GRM is formed. The GRC at the local level will be established before commencement of activities at field level and will operate throughout Project implementation.	PKSf and POs with the assistance of PMU
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN</p> <p>Implement the screening mechanism and exclusion list (which is a part of updated PKSf ESMS) to verify that sub-projects meet the eligibility criteria and ensure that such sub-projects will not adversely impact the environment and the people. Conduct screening to exclude those in the exclusion list and keep the screening documentation during the project implementation.</p>	To screen all the sub-project against the exclusion list as per ESMS before implementation of any sub-project.	ECCUs of POs with the guidance of PMU.

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	Provide adequate guidance by the updated ESMS for the mitigation measures to treat various types of wastes, produced in any production/process including plastic and e-wastes as a requirement in bidding documents and ESMP.	The bidding documents and ESMP to be updated with proper mitigation measures for management of wastes before sub-project implementation and implemented throughout the Project period.	ESMS to be updated with proper waste management measures by PKSF with the support of the ECCUs of POs.
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Introduce energy efficiency measures and reduction of the environmental risks (hazardous waste, water, and air pollution) those are appropriate for the MEs to mitigate pollution prevention and pest management).	Throughout the project period.	ECCUs of POs in consultation with ME/community with the guidance of PMU
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Adopt and implement measures to manage traffic and road safety risks as required.	Over the Project period.	POs and MEs with the technical guidance of PMU
4.2	COMMUNITY HEALTH AND SAFETY Assess and manage specific risks and impacts to the community arising from Project activities including, inter alia, wastes, noise, and air emission from the production of MEs that may impact community health and safety as per the guidance included in the updated ESMS of PKSF. Keep measures in place to prevent or minimize the spread of the infectious diseases/COVID-19 to the community and among workers/beneficiaries by following national and WHO guidelines of social distancing and other measures.	ESMS of PKSF to be updated considering requirement of community health and safety before Board approval of the Project and implement it over the Project period. Measures for COVID-19 to be undertaken over the Project period as applicable.	PKSF - PMU In consultation with MEs, PMU/POs will take measures
4.3	SEA AND SH RISKS Ensure the avoidance of all forms of Gender Based Violence (GBV)/Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH) by establishing written Codes of Conduct for all project personnel (PMU) including POs/MEs in the project area as well as train and sensitize them on this issue. Update and finalize the Gender and SEA/SH section of the PKSF ESMS.	Adopt the GVB/SEA/SH measures and implement throughout Project implementation. Gender and SEA/SH part of the PKSF ESMS will be finalized prior to Board approval of the Project .	Measures to be implemented by POs/MEs as required and training to be conducted by POs with the supports of PMU. Gender and SEA/SH part of the ESMS to be updated by PKSF.
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	RESETTLEMENT POLICY FRAMEWORK Not relevant for this Project.	Not relevant for this Project.	
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	BIODIVERSITY RISKS AND IMPACTS	Not relevant for this Project.	

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	<p>This ESS6 is currently not relevant. The project is expected to take place within the footprint of existing facilities and there is no indication that the proposed Project will have any adverse impacts on biodiversity, natural habitats or living natural resources. Any adverse impacts arising due to waste management and effluent treatment facilities shall be addressed through ESS1.</p> <p>PKSF ESMS include an exclusion list so that potential business/microenterprise that may adversely affect biodiversity and living natural resources are not funded.</p>		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	<p>TRIBAL PEOPLES PLANNING FRAMEWORK</p> <p>Relevant aspects of ESS7 shall be considered since the project will be implemented nationwide and some of the MEs are likely to be owned by IPs or they may be Project beneficiaries. Some of the MEs may be located in areas having IP. ESMS of PKSF to be updated considering requirement of ESS7.</p>	Relevant section of the ESMS will be updated before Board approval of the project and implement it over the Project period.	PMU.
7.2	<p>TRIBAL PEOPLES PLAN</p> <p>If TPs are found to be affected as per ESMS screening matrix, TPP will be prepared and disclosed.</p>	Before start of sub-project activities (if required)	POs and Social Specialist of PMU.
7.3	<p>GRIEVANCE MECHANISM</p> <p>Prepare, adopt, and implement the arrangements for the grievance mechanism for indigenous people (if established separately for the grievance mechanism under ESS10).</p>	Before start of sub-project activities (if required)	PMU.
ESS 8: CULTURAL HERITAGE			
8.1	<p>CULTURAL HERITAGE RISKS AND IMPACTS</p> <p>The physical location of MEs may be near cultural heritage sites and may have impacts on such sites. These will be addressed per measures outlined in the PKSF ESMS.</p>	Before the start of sub-project activities. .	PMU with the assistance of Social Specialist.
8.2	<p>CHANCE FINDS</p> <p>Describe the chance find procedure in PKSF ESMS and implement the chance finds procedures of the Project.</p>	Prepare chance find procedures in the ESMS by Board approval and implement the procedures throughout Project implementation.	PMU with the assistance of Social Specialist.
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</p> <p>The ESMS will be updated based on the recommendations provided by WB E&S team. The major recommendations are: (i) Develop a ES policy statement to assess and manage ES risks and impacts endorsed by the senior management; (ii) Enhance the capacity of the ECCU); (iii) Develop training policy and training plan for staffs on E&S issues and develop a complete training manual/ curriculum including audio visual presentations; (iv) Clear description of relevant national laws and their adoption in the ESMS; (v) Align the risk categorization system of existing ESMS for both environmental and social risks with national/ ESF risks rating (four instead of three); (vi) Detail</p>	Update the ESMS prior to SMART Board Approval. Maintain and implement the updated ESMS throughout Project implementation.	PKSF to update and disclose the ESMS and implemented by PMU and PKSF .

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>description of reporting requirement, channel and frequency of reporting and person responsible; (vii) Develop an ES checklist on beneficiary screening mechanism and format (including women, people with disability and the vulnerable).</p> <p>Finalize and implement the updated ESMS</p>		
9.2	<p>EXCLUSIONS</p> <p>Screen all proposed activities/subproject against the exclusion list set out in the ESMS. Activities that involve the following characteristics will be ineligible for support under SMART:</p> <ul style="list-style-type: none"> • Poses any direct or indirect discriminatory criteria for selection of MEs • Causes severe impacts and risks on private land, residential or commercial establishments • Affect mosques, temples, graveyards, cremation grounds, and other places/objects that are of religious and cultural significance • May significantly restrict access to common property resources and livelihood activities of groups and communities • Leads to permanent flooding or water logging of water courses • Leads to permanent pollution of surface water or groundwater resources • Leads to increased human-wildlife conflicts • Activities located within any forest area • Entail construction/re-construction of dam • Any activity adversely affecting bio-diversity, natural habitat and critical habitat 	Screen activities/ subprojects before determining whether they are eligible to receive support from the Project.	PMU and POs.
9.3	<p>FI ORGANIZATIONAL CAPACITY</p> <p>World Bank E&S team will provide training as per training schedule provided in section CS1. PKSF E&S team will provide training to POs on ESMS.</p>	Within first year of SMART Project implementation.	PKSF
9.4	<p>SENIOR MANAGEMENT REPRESENTATIVE</p> <p>Designate a senior management representative to have overall accountability for environmental and social performance of PO subprojects that receive support from the Project.</p>	Within 30 days of Project effectiveness	PKSF
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Update, adopt and implement Stakeholder Engagement Plan (SEP) of ESMS for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable, and accessible information, and</p>	ESMS of PKSF to be updated before Board approval of SMART project considering requirement of ESS10 and implement it over the Project period.	PKSF

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	consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.		
10.2	<p>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 and PKSf ESMS.</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>	Establish the project level grievance mechanism before commencement of Project activities, and thereafter maintain and operate the mechanism throughout Project implementation.	PMU
CAPACITY SUPPORT			
CS1	<p>1. PKSf needs to develop training plan for PKSf staff, PO and MEs on E&S issues and develop a complete training manual/ curriculum including audio visual presentations. This ESCP proposes a preliminary training plan This plan will be adopted to meet needs during Project implementation.</p> <p>2. Training on PKSf ESMS, WB ESF and the 10 ESSs—including preparation of ESMP and the targeted groups are Personnel directly related with project at the PMU and POs level</p> <p>3. Training on issues related to COVID-19</p> <p>4. Training on Labor and Working Conditions</p> <p>5. Training on Grievance Redress Mechanism</p> <p>6. Training on GBV/SEA/SH</p>	<p>1. Within six months after Project Effective Date.</p> <p>2. Within six months after Project Effective Date.</p> <p>3. Within six months after Project Effective Date. If needed quarterly thereafter throughout the Project Implementation.</p> <p>4. Within six months after Project Effective Date.</p> <p>5. Within six months after Project Effective Date and once in every year thereafter throughout the Project implementation.</p>	<p>1. PMU with the support of WB E&S team.</p> <p>2. PMU with the support of WB E&S team.</p> <p>3. POs with the support of PMU</p> <p>4. POs with the support of PMU</p> <p>5. POs with the support of PMU</p> <p>6. POs with the support of PMU.</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		6. Within six months after Project Effective Date and once in every year thereafter throughout the Project implementation.	
CS2	Occupational Health and Safety Workplace risk management Prevention of accidents at work sites Health and safety rules Preparedness and response to emergency situations	Within six months after Project Effective Date and once in every six months thereafter.	POs with the PMU