

Ukraine

PREPARING RECONSTRUCTION OPPORTUNITIES FOR UKRAINE'S DEVELOPMENT (PROUD)

(P508490)

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Version for Appraisal¹

February 10, 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

¹ The version that will be part of the negotiations package can be titled "For negotiations". Once the ESCP is agreed at negotiations, the reference should be changed to "Negotiated" and dated the day of the conclusion of negotiations. If the ESCP is updated during implementation, the reference should be changed to "Updated" and the date should be revised the day of finalization of the update. ESCPs should always be dated and properly labelled.

1. Ukraine (Recipient) will implement the Preparing Reconstruction Opportunities for Ukraine's Development (PROUD) Project (the Project), with the involvement of the Ministry of Economy and Public-Private Partnership Agency (PPP Agency), as set out in Grant Agreement (the Agreement). The International Bank for Reconstruction and Development and the International Development Association (acting together with the Bank as an administrator of the Ukraine Relief, Recovery, Reconstruction and Reform Multi-Donor Trust Fund) (hereinafter the Bank) have agreed to provide the financing for the Project, as set out in the Agreement.
2. The Recipient 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 Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreements.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreements, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Recipient, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Recipient Borrower's Representative specified in the Agreement. The Recipient shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT²			
A	<p>ORGANIZATIONAL STRUCTURE</p> <p>a. Maintain qualified staff and resources to support the management of environmental, social, health and safety (E&S) risks and impacts of the Project, including one environmental specialist, and one social specialist, who shall be responsible for day-to-day management of E&S and impacts of the Project</p> <p>b. Engage qualified environmental and social experts and consultants for conducting environmental and social assessments and management plans under the Project as determined under 1.1. .</p>	<p>a. Within 45 days of the Effective Date of the Agreement or before initiating procurement for any technical assistance whichever is earlier.</p> <p>b. throughout implementation</p>	MoE/PPP Agency
B	<p>CAPACITY BUILDING PLAN/MEASURES</p> <p>Develop and implement a training plan for Project Preparation Unit (PPU) staff and beneficiary agencies , with adequate budget, providers and timeframe. Training shall be required on:</p> <ul style="list-style-type: none"> • Good international industry practice for environmental and social risk management in investment projects • Environmental and Social screening and risk classification • Concept of Environmental and Social Impact Assessment (ESIA), incl. assessing Environmental Feasibility and assessing Social Feasibility, scope of Environmental Impact Assessment (EIA) and scope of Social Impact Analysis (SIA) • Monitoring and reporting on environmental and social performance of PPF • Preparation and implementation of stakeholder engagement plans • Occupational health and safety including emergency preparedness and response procedures for Project Workers • Grievance mechanisms • Labor and working conditions and associated inspections • SEA/SH 	<p>t</p> <p>Develop the training plan within 60 days of Effective Date and implement thereafter.</p>	MoE/PPP Agency
MONITORING AND REPORTING			

² For all actions, consult with the country lawyer to ensure consistency with the legal agreement in cases where some actions need to be completed before the project becomes effective (effectiveness condition) or before certain disbursements can occur (disbursement condition).

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (E&S) performance of the Project. The reports shall include:</p> <ul style="list-style-type: none"> • Status of preparation and implementation of E&S documents, required under the ESCP. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan. • Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them. • E&S performance of consultants as reported through monthly contracted third party and/or other consulting firms' reports. • Number and status of resolution of incidents and accidents reported under action D below. • Report on PPF's E&S due diligence in relation to projects selected from the SPP that are being prepared with support under PPF. 	<p>Submit quarterly reports to the Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than 15 days after the end of each reporting period.</p>	MoE/PPP Agency
D	<p>INCIDENTS AND ACCIDENTS</p> <p>Notify the Bank of any incident or accident relating 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 those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; dam failure; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the Bank upon request.</p> <p>Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p>	<p>Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.</p> <p>Provide review report and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.</p>	MoE/PPP Agency

ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.1	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <p>Prepare, disclose, consult upon, adopt and implement an Environmental and Social Management Framework (ESMF) for the Project, consistent with the relevant ESSs. The ESMF will serve to identify, assess, manage, and monitor the environmental and social risks and impacts of projects selected for preparation under the PPF. The ESMF shall include, inter alia, the following elements:</p> <ul style="list-style-type: none"> • Country environmental and social regulatory requirement relevant to public and private investment projects. • ESF requirements, consistent with the relevant ESSs. • An exclusion list with the activities and types of investment-projects that are not eligible for support under the Project • Clearly defined procedure for (i) screening against the WBG Exclusion List and the national E&S laws of Ukraine; (ii) screening, reviewing, and classification of the selected activities according to their potential environmental and social risks and impacts; (iii) determine the types of environmental and social assessments and management plans to be prepared for each selected technical assistance activity commensurate with the environmental and social risks, as well as the process and timing for preparing such assessments in accordance with national laws and the ESSs. • Incorporate requirements of the World Bank Group Environmental , Health and Safety EHS Guidelines for relevant sectors • Provide a monitoring plan format that includes monitoring indicators, timing, methods, and institutional responsibilities. • Provide guidance on the preparation of site-specific Emergency Preparedness and Response Plans which shall cover measures to protect the safety and security of Project Workers and stakeholders from war-related hazards and other relevant emergencies, including ERW management procedures, consistent with ESSs. • An organizational capacity and competency for implementing the ESMF with clearly defined roles and responsibilities • Incidents and accidents notification and subsequent reporting requirements. • An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner. 	<p>Prepare and Disclose the ESMF within 30 days of the Effective Date and thereafter implement the ESMF throughout Project implementation.</p>	<p>MoE/PPP Agency</p>
1.2	<p>TECHNICAL ASSISTANCE</p>		<p>MoE/PPP Agency</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>1.2.a Carry out the consultancies, studies (including pre-feasibility studies and feasibility studies and business cases), capacity building, training, and any other technical assistance activities under the Project, including, inter alia, preparing applicable environmental and social assessments and management plans as determined by screening under 1.1, in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs and World Bank EHS Guidelines for the relevant sectors. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.</p> <p>1.2.b ESIs and other E&S instruments shall be reviewed and cleared by the Bank, unless otherwise agreed and reflected in the POM.</p>	Throughout Project implementation.	
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Ensure that Project workers are engaged in the implementation of the Project in accordance with ESS2. To this end, implement the following measures:</p> <p>a) Provide direct and contracted Project workers with information and documentation that is clear and understandable regarding their terms and conditions of employment through written contracts setting out their rights, including, inter alia, rights related to hours of work, wages, overtime, compensation, and benefits, as well as written notice of termination of employment, and details of severance payments, as applicable;</p> <p>b) Implement occupational health and safety (including personal protective equipment, and a war hazard preparedness plan, taking into account the General Environmental, Health and Safety Guidelines (EHSGs), the industry-specific EHSGs and other Good International Industry Practice (GIIP), as relevant;</p> <p>c) Implement measures, as applicable, to, inter alia: (i) prevent the use of all forms of forced labor and child labor; (ii) enable workers to benefit from, inter alia, access to grievance mechanisms without fear of retaliation; and (iii) provide effective freedom to form and join workers organizations or alternative mechanisms for expressing their concerns and protect their rights related to labor and working conditions;</p> <p>d) Develop a code of conduct for workers, which shall include measures to prevent and respond to sexual exploitation and abuse, and sexual harassment (SEA/SH) cases;</p>	Throughout implementation	MoE/PPP Agency

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	e) Incorporate the relevant requirements above in the E&S specifications of the procurement documents and contracts with third parties that engage contracted workers in the implementation of the Project.		
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
	Consider, as relevant, as part of technical assistance		
ESS 4: COMMUNITY HEALTH AND SAFETY			
	Consider, as relevant, as part of technical assistance		
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT [The relevance of ESS5 is established during the ESA process. If resettlement documents need to be prepared (e.g., resettlement process frameworks, resettlement action plans, process frameworks) this should be reflected in the ESCP. See sample actions below]			
5.1	RESETTLEMENT Consider, as relevant, as part of technical assistance. A screening mechanism, shall be adopted under the ESMF to identify a) land acquisition, restrictions on land use, or involuntary resettlement impacts as defined under ESS5, for any project selected to be prepared under the PPF and b) the types of social assessments or resettlement planning instruments needed to be prepared, consistent with ESS5, as part of the technical assistance, if any, to address such impacts.		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
	Consider, as relevant, as part of technical assistance		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	INDIGENOUS PEOPLES [FRAMEWORK] [PLAN] or [PLANS] Not Relevant		
ESS 8: CULTURAL HERITAGE			
	Consider, as relevant, as part of technical assistance		
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).]			
9.1	ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS) Not Relevant		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN a) Update and Implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally	a) Update the SEP within 30 days of the Effective Date and Implement the SEP throughout Project implementation.	MoE/PPA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. The SEP sets out a framework approach for preparing stakeholder engagement plans for future investments once selected, in accordance with ESS10, and commensurate with the environmental and social risk identification and screening conducted under 1.1.</p> <p>b) Prepare and implement stakeholder engagement plans for each investment project supported by the Project, in accordance with the SEP and ESS10.</p>	<p>b) Prepare stakeholder engagement plans for each investment project identified, before initiating procurement for any design, pre-feasibility or feasibility studies, or business cases or environmental and social assessments or management plans. Implement thereafter.</p>	
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.</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 the grievance mechanism within 3 months of the Effective Date and thereafter maintain and operate the mechanism throughout Project implementation.</p>	
<p>INDICATORS FOR IMPLEMENTATION READINESS</p>			
<ol style="list-style-type: none"> 1. Recruitment of one Environment Specialist and one Social Specialist as per Part A 2. Preparation, disclosure, consultation and adoption of ESMF, as per 1.1 3. Technical assistance activities for 2025 have been screened for E&S as per ESMF in 1.1. 			