



People's Republic of Bangladesh

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

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

**March 2023
(Negotiated Version)**



Palli Karma-Sahayak Foundation (PKSF)

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The People's Republic of Bangladesh (the Recipient) will implement the Sustainable Micro-enterprise and Resilient Transformation (SMART) Project (the **Project**), with the involvement of the Palli Karma-Sahayak Foundation (**PKSF**), as set out in the Financing Agreement and Project Agreement. The International Development Association (**World Bank**) has agreed to provide financing for the Project (P178996), as set out in the referred agreements.
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 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 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, 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 Recipient, 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 Recipient, Additional Managing Director (AMD) of Palli Karma-Sahayak Foundation (**PKSF**) under Finance Institution Division. The Recipient 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 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), ; and development and finalization of institutional mechanism to update, adopt and implement the Environmental and Social Management System (ESMS). Monitoring reports will be submitted as per World Bank and PKSf agreed template.</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.	Project Management Unit (PMU) of PKSf
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), 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) and Micro Enterprise (ME), as appropriate.</p> <p>Subsequently, at the World Bank's request, compile a report on the incident or accident and propose any measures to address it and prevent its recurrence based on the reports from by POs and MEs.</p>	<p>Notify the World Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the World Bank within thirty (30) days from the incident reporting.</p>	PMU, POs, MEs
C	<p>PARTNER ORGANIZATIONS' QUARTERLY REPORTS</p> <p>PKSf shall require POs to provide quarterly 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 World Bank every 6 months based on reports submitted by POs.</p>	The quarterly (every three-months) reports submitted to the PKSf by the POs shall, upon request of the World Bank, be shared in the form of a consolidated report as annexes to the half-yearly reports to be submitted under action A above.	PMU, POs, MEs.
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/ME; 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</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).	PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	decision; (iii) any notification received on the commencement of an emergency arbitration 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 and Gender Specialist and two E&S Program Officer. 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 and Climate Change Unit (ECCU) 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 GoB approval.</p> <p>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-ECCU level for the entire period of Project implementation.</p>	<p>a) PKSf</p> <p>b) POs.</p>
1.2	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>a) Update, adopt, and implement, the existing ESMS of PKSf, consistent with the relevant ESSs.</p> <p>b) Carry out E&S screening for all the sub-projects Activities identified in the exclusion list set out in the ESMS will be ineligible to receive financing under the Project.</p> <p>c) Prepare sub-project specific ESMPs based on the screening outcomes. Cause POs and MEs to adopt and implement the subproject ESMPs as set out in the ESMS.</p>	<p>a) Update the existing ESMS prior to Board approval. Maintain and implement the ESMS throughout Project implementation.</p> <p>b) E&S Screening to be carried out prior to implementation of the sub-projects.</p> <p>c) Prepare sub-project ESMPs (if required) within three (03) months of the recruitment of E&S Social officer for each sub-project. In addition, adopt ESMP to the carrying out of sub-project that requires the adoption of such ESMP. Once adopted, implement the respective ESMP throughout Project implementation.</p>	<p>a) PKSf</p> <p>b) PMU, POs and MEs</p> <p>c) PMU, POs and MEs</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.3	MANAGEMENT OF POS Incorporate the relevant aspects of the ESCP, including ensuring that the POs/MEs comply with the ESHS specifications of their respective contracts including, inter alia, the relevant E&S instruments identified during E&S screening, ESMS and code of conduct, into the ESHS specifications of the procurement documents and contracts with POs/MEs, as appropriate.	As part of the preparation of procurement documents and respective contracts. Supervise POs/MEs throughout Project implementation.	PMU
1.4	TECHNICAL ASSISTANCE Ensure that the consultancies, studies, capacity building, training, and any other technical assistance under the Project, are carried out in accordance with terms of reference acceptable to the World Bank, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.	During preparation of the bidding documents and throughout the Project implementation.	PMU
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES Prepare, adopt and implement, and cause to be implemented by POs and MEs, the Labor Management Procedures (LMP) as part of the 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 for Project workers, and applicable requirements for contractors, subcontractors of sub-projects and/or POs/MEs as required.	Adopt the LMP outlined in the ESMS prior to engaging workers and thereafter implement the LMP throughout Project implementation.	PMU, POs, MEs.
2.2	GRIEVANCE MECHANISM FOR PROJECT WORKERS Establish and operate a grievance mechanism (also responsive to SEA/SH) for the Project as described in the ESMS. <ul style="list-style-type: none"> Local level GRC for all sub-projects Project level GRC at PMU 	Project level GRC will be formed within three months of the GoB approval and PMU is formed. The existing GRM of the Sustainable Enterprise Project 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 sub-project activities and thereafter maintained and operated throughout Project implementation.	PMU, POs, MEs.
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	WASTE MANAGEMENT PLAN 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, consistent with ESS3.	As per ESMS before implementation of any sub-project.	PMU, POs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Adopt and implement waste management measures as set out in the ESMS and sub project ESMP, if required. Update bidding documents and subproject ESMPs to include required waste management mitigation measures as applicable, consistent with ESS3.	Same timeframe as for the adoption of the subproject ESMPs. Throughout Project implementation.	PMU, POs.
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Incorporate resource efficiency, pollution prevention and pest management measures in the ESMPs to be prepared under action 1.2 above.	Same timeframe as for the adoption of the subproject ESMPs. Throughout Project implementation.	PMU, POs, MEs.
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Adopt and implement measures to manage traffic and road safety risks as set out in the ESMS and sub-project ESMPs to be prepared under action 1.2 above.	Same timeframe as for the adoption of the subproject ESMPs. Throughout Project implementation.	PMU, POs, MEs
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 activities of MEs that may impact community health and safety and include mitigation measures in the subproject ESMPs to be prepared in accordance to the ESMS.	Same timeframe as for the adoption of the subproject ESMPs. Throughout Project implementation.	PMU, POs, MEs.
4.3	SEA AND SH RISKS Update, adopt and implement the Gender and SEA/SH section of the ESMS, to assess and manage the risks of SEA and SH. As per ESMS develop Project specific GBV/SEA/SH Action Plan.	Adopt the GBV/SEA/SH Action Plan before undertaking Project activities that pose SEA/SH risks, and therefore implement the GBV/SEA/SH Action Plan throughout Project implementation. Gender and SEA/SH section of the ESMS will be finalized prior to Board approval of the Project and GBV/SEA/SH Action Plan will be developed within one month of PMU formation.	PMU
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			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
6.1	BIODIVERSITY RISKS AND IMPACTS This ESS6 is currently not relevant. PKSf ESMS will include an exclusion list so that potential business/microenterprise that may adversely affect biodiversity and living natural resources are not funded.	Not relevant for this Project.	
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	TRIBAL PEOPLES PLANNING FRAMEWORK Adopt and implement an Indigenous Peoples Framework (IPPF) as part of the ESMS of PKSf to be updated consistent with ESS7.	Update and adopt the IPPF section of the ESMS before Board approval of the Project, and thereafter implement the IPPF over the Project period.	PKSF PMU and POs
7.2	TRIBAL PEOPLES PLAN Adopt and implement a Tribal Peoples Plan for each activity under the Project for which a Tribal Peoples Plan is required as set out in the ESMS.	Same timeframe as for the adoption of the subproject ESMPs. Throughout Project implementation.	PMU and POs
7.3	GRIEVANCE MECHANISM Prepare, adopt, and implement the arrangements for the grievance mechanism for indigenous people as set out in the IPPF and the IPP.	Establish the grievance mechanism before commencing sub-project activities.	PMU and POs
ESS 8: CULTURAL HERITAGE			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS Adopt and implement mitigation measures applicable to cultural heritage sites as outlined in the PKSf ESMS.	Before commencing sub-project activities.	PMU and POs
8.2	CHANCE FINDS Describe and implement the chance find procedure in the ESMS and as part of the subproject ESMP, if required.	Same timeframe as for the adoption of the subproject ESMPs. Implement the chance find procedures throughout Project implementation.	PMU and POs
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS) Update, maintain, and implement the existing ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of PKSf subprojects. The ESMS shall include, inter alia, the following elements: <ul style="list-style-type: none"> • Identification of the PKSf subprojects that may receive support from the Project. • An environmental and social policy endorsed by PKSf senior management, including] [specify any details on the E&S policy that may be relevant. • Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of PKSf subprojects, in accordance with ESS9, including, inter alia, stakeholder engagement and disclosure requirements applicable to subprojects. 	Update the existing ESMS prior to Board Approval. Once updated, maintain and implement the ESMS throughout Project implementation.	PKSF

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> • Exclusion list with the activities/ subprojects that are not eligible for financing, • An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. • Monitoring and reporting of environmental performance of subprojects and the effectiveness of the updated ESMS. • Incidents and accidents notification and subsequent reporting requirements as set out in action B above. • An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner. • Disclose the ESMS through the relevant website. <p>In line with above 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) Define roles and responsibilities of PKSF ECCU, POs and MEs for E&S management (iii) Enhance the capacity of the ECCU; (iv) Develop training policy and training plan for staffs on E&S issues and develop a complete training manual/ curriculum including audio visual presentations; (v) Clear description of relevant national laws and their adoption in the ESMS; (vi) Align the risk categorization system of existing ESMS for both environmental and social risks with national/ ESF risks rating (four instead of three); (vii) Detail description of reporting requirement, channel and frequency of reporting and person responsible; (viii) 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>		
<p>9.2 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 	Screen activities/ subprojects before determining whether they are eligible to receive support from the Project.	PMU and POs.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> 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 		
9.3	FI ORGANIZATIONAL CAPACITY Establish and maintain capacity and competency at PKSf for implementing the ESMS at the institutional level with clearly defined roles and responsibilities.	Within first year of SMART Project implementation.	PKSF, PMU
9.4	SENIOR MANAGEMENT REPRESENTATIVE Designate a senior management representative of PKSf to have overall accountability for environmental and social performance of PO subprojects that receive support from the Project.	Within 30 days of GOB approval.	PKSF, PMU
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Update, adopt and implement Stakeholder Engagement Plan (SEP) as set out in the updated ESMS 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 appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.	Update the SEP as part of the ESMS for SMART before Board approval and thereafter implement the SEP throughout Project implementation.	PKSF
10.2	PROJECT GRIEVANCE MECHANISM 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. 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.	Establish the project level grievance mechanism before commencement of Project activities, and thereafter maintain and operate the mechanism throughout Project implementation.	PMU
CAPACITY SUPPORT			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
CS1	<p>1. PKSf needs to develop training plan for PKSf staff, PMU 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 GoB approval.</p> <p>2. Within six months after GoB approval.</p> <p>3. Within six months after GoB approval. If needed quarterly thereafter throughout the Project Implementation.</p> <p>4. Within six months after GoB approval.</p> <p>5. Within six months after GoB approval. and once in every year thereafter throughout the Project implementation.</p> <p>6. Within six months after GoB approval. 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>
CS2	<p>Occupational Health and Safety</p> <p>Workplace risk management</p> <p>Prevention of accidents at work sites</p> <p>Health and safety rules</p> <p>Preparedness and response to emergency situations</p>	<p>Within six months after GoB approval and once in every six months thereafter.</p>	<p>POs with the PMU</p>