

**Republic of Uzbekistan**

**Second Rural Enterprise Development Project  
(P176017)**

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

Negotiated Draft

**February 18, 2022**

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

1. The Republic of Uzbekistan (hereafter the Borrower) shall implement Second Rural Enterprise Development Project through the Agency for the Development of Entrepreneurship (the Agency) under the Ministry of Economic Development and Poverty Reduction (MEDPR). The International Bank for Reconstruction and Development (hereafter the Bank) has agreed to provide financing for the project.
2. The Borrower shall carry out the Project in accordance with the Environmental and Social Standards (ESSs) of the World Bank. This Environmental and Social Commitment Plan (ESCP) sets out essential measures and actions, any specific documents or plans, as well as the timing for each of these Actions to be carried out or caused by the Borrower, including the timeframe of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, grievance management and the environmental and social assessments and instruments to be prepared or updated, disclosed, consulted, adopted and implemented under this ESCP and the relevant ESSs, all in manner acceptable to the Bank.
3. The Borrower shall also comply with the provisions of any other environmental and social (E&S) documents required under the Environmental and Social Framework (ESF) and referred to in the current ESCP, including the Environmental and Social Management Framework (ESMF), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plans (ESMP), Labor Management Procedures (LMP) and Stakeholder Engagement Plan (SEP), as well as the timeframes specified in these E&S documents.
4. The Borrower is responsible for compliance with all the requirements of the ESCP, even where the implementation of specific measures and actions is performed by the ministry, agency or unit referred to above in the item #1.
5. The implementation of the essential measures and actions set out in this ESCP shall be monitored and reported to the Bank by the Borrower, as required by the ESCP and the terms of the legal agreement, and the Bank will monitor and assess the progress and accomplishment of material measures and actions throughout the entire period of Project implementation.
6. As agreed by the Bank and the Borrower, this ESCP may be revised from time to time during the implementation of the Project to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of the Project performance carried out under the ESCP itself. In such circumstances, the Borrower shall agree to the changes with the Bank and shall update the ESCP to reflect such changes. Agreement on the changes to the ESCP shall be documented through an exchange of letters signed between the Bank and the Borrower. The Borrower shall promptly disclose the updated ESCP.
7. Where Project changes, unforeseen circumstances or Project performance result in changes to the risks and impacts during the project implementation, the Borrower shall provide additional funds, if needed, for the implementation of actions and measures to address such risks and impacts.

ESSENTIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY / AUTHORITY
<b>MONITORING AND REPORTING</b>			
A	<p><b>REGULAR REPORTING</b></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&amp;S documents required under the ESCP, stakeholder engagement activities, functioning of grievance mechanism (s).</p> <p>Ensure frequency and content of monitoring reports is detailed in the Project Operations Manual and implemented accordingly.</p>	<p><i>Starting 30 days after the Project Effective Date and Semi-annual reports during the implementation of the Project</i></p>	<p>Agency</p>
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>Promptly notify the Bank any incidents or accidents related to the Project that have or are likely to have a significant adverse impact on the environment, affected communities, the public or Project workers.</p>	<p><i>Notify the Bank within 48 hours of receipt of the information on the incident or emergency</i></p>	<p>Agency</p>
	<p>Provide sufficiently detailed information about the incident or accident, findings of the Root Cause Analysis (RCA), indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate. Subsequently, as per the Bank request, prepare a report on the incident or accident and propose measures to prevent its recurrence.</p> <p>Include in bidding documents of contractors that prompt notification of accident and incidents remain inclusive under contractor's Environmental and Social Management Plan (ESMP). Ensure and monitor that an incident register at all construction sites is kept by the contractors throughout the Project life.</p>	<p><i>A subsequent detailed report will be provided within a timeframe acceptable to the Bank.</i></p> <p><i>File a closure report within 30 days or another timeframe acceptable to the Bank.</i></p>	<p>Agency</p>

ESSENTIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY / AUTHORITY
C	<p><b>MONTHLY REPORTS OF CONTRACTORS</b></p> <p>All contractors working on the Project shall be required to provide reports on the implementation of the ESMP, Occupational Health and Safety, as well as the implementation of the General and Workers Grievance Mechanisms to the Agency. The Agency shall include summary analysis of status of grievances to the Bank in their regular reports.</p>	<p><i>Monthly reports of Contractors to the Agency throughout Project implementation</i></p>	<p>Agency</p>
	<p>The recipient of the credit line shall be required to provide reports on the implementation of the ESMP and on the Labor Management Procedures (LMP) and on Occupational Health and Safety (OHS) aspects to the corresponding PFI. The PFIs on a quarterly basis, shall present reports to the Agency. Information from these reports shall be included in the biannual reports to the Bank.</p>	<p><i>Quarterly reports of beneficiaries to PFIs</i>  <i>Quarterly reports of PFIs to the Agency</i>  <i>Semi-annual reports of the Agency to the World Bank</i></p>	<p>Agency                      PFIs                      Sub-project beneficiaries</p>
<b>ESS1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>Establish and maintain Project Implementation Unit (PIU) with qualified staff and resources to support the management of ESHS risks and adverse impacts of the Project, including a minimum of one environmental expert, one social expert under PIU, and Environmental and Social specialists in regional branches (one per region).</p> <p>Obligate contractors to assign and retain environmental, social and OHS experts by including this requirement in bidding documents (depending on the duration of the contract, these experts may be part time). Bidding documents to the Contractors shall also contain the clause on penalty in case of non-hiring of OHS experts.</p>	<p><i>Within one month after the Project Effective Date and throughout the Project lifetime.</i></p> <p><i>Throughout the sub-project implementation period.</i></p>	<p>Agency</p>

ESSENTIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY / AUTHORITY
1.2	<p><b>ENVIRONMENTAL AND SOCIAL ASSESSMENT</b></p> <p>Finalize, disclose, adopt, and implement the ESMF in accordance with ESS1, which defines the guiding principles, rules and procedures for the preparation of environmental and social screening, assessment, review, management, and monitoring procedures for all activities and sub-projects, including COVID 19-related measures.</p>	<p><i>Prepare the draft ESMF prior to the Project appraisal and finalize by Project effectiveness.</i></p> <p><i>Implement the ESMF throughout the Project lifecycle.</i></p>	Agency
	<p>If necessary, update the ESMF in consultation with the World Bank.</p> <p><b>Exclusion List.</b></p> <p>Activities that could lead to the potential for temporary or permanent forced land acquisition, restrictions on land use, economic activities or access to resources to households, legal entities regardless of the type of legal ownership will be excluded from financing under this Project.</p>	<p><i>In the course of Project implementation with consent of the World Bank</i></p>	Agency
1.3	<p><b>MANAGEMENT TOOLS</b></p> <p>Prepare, disclose, adopt, and implement site-specific ESAs and other instruments such as LMP, Pest Management measures included in the ESMF, Occupational Health and Safety measures, Chance Find Procedure, and any other instruments required in a manner acceptable to the Bank.</p>	<p><i>Before tendering works for the relevant activities are commenced, and thereafter implemented throughout the sub-project lifetime.</i></p>	Agency PFIs
1.4	<p><b>MANAGEMENT OF CONTRACTORS</b></p> <p>Incorporate the requirements of the Bank-approved ESMPs, LMP and any other relevant instruments into the tendering documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply with the ESHS specifications of their respective contracts.</p>	<p><i>Before the start of tendering process for the relevant activities</i></p>	Agency Sub-project beneficiaries

ESSENTIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY / AUTHORITY
	Ensure that C-ESMPs are prepared, consulted upon and implemented by the contractors on specific project sites	<i>Prior to commencement of works on project sites.</i>	Agency
	Make sure that contractors, including those who are using funds from the credit line, develop ESMPs and the LMPs, comply with them and report on them in accordance with the requirements of the current ESCP.	<i>During the implementation of the Project</i>	Agency Sub-project beneficiaries PFIs
1.5	<b>PERMITS, AGREEMENTS AND AUTHORIZATIONS</b> Obtain or assist in obtaining, if necessary, permits, agreements and authorizations applicable to the Project from the relevant national authorities.	<i>During the implementation of the Project</i>	Agency
<b>ESS2: LABOR AND WORKING CONDITIONS</b>			
2.1	<b>LABOR MANAGEMENT PROCEDURES</b> Perform, to the satisfaction of the Bank, the Labor Management Procedures, including the Grievance Mechanism (GM) for employees of the PIU, and manage it.	<i>Complete the LMP and GM for employees of the Agency - before the Project Effective Date as part of the Project Operation Manual</i>  <i>Comply with LMP throughout the implementation of the Project</i>	Agency
2.2	<b>GRIEVANCE MECHANISM FOR THE STAKEHOLDERS AND EMPLOYEES OF THE PROJECT</b> Develop and maintain a Grievance Mechanism (GM) for affected parties and also within the LMP for Project employees, including PIU staff, contractor's workers, workers of entities who receive sub loans.	<i>Develop GM before the Project entering etc.</i>	Agency

ESSENTIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY / AUTHORITY
2.3	<p><b>OCCUPATIONAL HEALTH AND SAFETY MEASURES (OHS)</b> Implement OHS measures in accordance with the applicable national legislation, internal rules of the Executive Agency, ESS2 and the Guidelines on Environmental Protection of the World Bank Group specified in the ESMF and LMP.</p>	<i>During the implementation of the Project</i>	Agency PFIs Sub-project beneficiaries
	<p>Make sure that the relevant to the Project Contractor(s) implements occupational safety measures as described in detail in C-LMP. Project supervision activities that pertain to OHS measures will be carried out in accordance with a detailed checklist included in the ESMF.</p>	<i>During the implementation of the Project</i>	Agency PFIs Sub-project beneficiaries
2.4	<p><b>SEA/SH ACTION PLAN</b> Plan may include, but not be limited to, codes of conduct and regular training of workers on SEA/SH, as well as the need for contractors to outline how they will implement measures for the prevention, response and accountability of SEA/SH in line with the requirements outlined by the ESMF/ESMP.</p>	<i>Before the effective Date of the Project and maintain throughout the implementation of the Project</i>	Agency PFIs Sub-project beneficiaries
<b>ESS3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>RESOURCE EFFICIENCY AND ENVIRONMENTAL POLLUTION PREVENTION AND MANAGEMENT</b> Assess the impact of waste generation, emissions and discharges expected from agricultural production, food processing, use of agrochemicals and pesticides, construction/rehabilitation works and other activities supported by the Project, and include appropriate mitigation measures into ESMPS for specific sub-projects.</p> <p>Prepare, adopt, and implement specific pollution prevention management plans, if needed.</p>	<p><i>During the preparation of ESMPs for specific sites</i></p> <p><i>Adopt management plans prior to tendering works and implement them throughout the project lifetime</i></p>	Agency PFIs Sub-project beneficiaries

ESSENTIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY / AUTHORITY
3.2	Ensure compliance of the carried out activities with site-specific ESMPs.	<i>During the construction/ rehabilitation of civil works</i>	Agency PFIs Sub-project beneficiaries
<b>ESS4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<b>TRAFFIC AND ROAD SAFETY</b> Include a requirement for bidders in the tender documentation related to construction works to submit their Management Strategies and Implementation Plans (MSIP) to address risks to the environment, social safety, health and safety (ESHS) and the ESHS Code of Conduct, and compel the Contractor(s) to act in accordance with these requirements.	<i>Include the requirement in the tender documentation before the tender for construction works</i>  <i>Ensure compliance throughout the implementation of the Project</i>	Agency PFIs Sub-project beneficiaries
4.2	<b>COMMUNITY HEALTH AND SAFETY</b> Ensure that the Contractor(s) of large infrastructure sub-projects develops and implements a Public Health and Safety Plan to manage specific risks and impacts on communities arising from Project activities, including those related to Project workers and the influx of labor.	<i>Develop measures within two months after signing the contract</i> <i>Implement measures throughout the implementation of the Project</i>	PFIs Sub-project beneficiaries
	Ensure that the Contractor(s) of large infrastructure sub-projects raises awareness of employees about the risks to local communities associated with mitigation measures and actions to reduce them.	<i>During the implementation of the Project</i>	Agency PFIs Sub-project beneficiaries



4.3	<p><b>Gender-Based Violence (GBV) or Sexual Exploitation</b>                  Include actions to prevent and reduce the risks of Sexual Exploitation, Abuse and Sexual Harassment (SEA/SH) into the site-specific ESMP in accordance with the ESMF and ensure their implementation. This includes, but is not limited to, the development and implementation of a Code of Conduct for all employees, a mechanism to prevent gender-based violence, raising awareness of all employees and community members about the risks associated with GBV, and mitigation measures.</p>	<p><i>Before the start of works</i></p> <p><i>Ensure compliance throughout the implementation of the Project</i></p>	<p>Agency                  PFIs                  Sub-project beneficiaries</p>
4.4	<p><b>SAFETY/SECURITY OF THE PERSONNEL</b>                  Development and implementation of measures and actions to assess and manage risks to human safety/security in the communities affected by the Project and for Project employees that may arise as a result of the use of personnel safety systems.</p>	<p><i>Develop measures and actions before employing security personnel</i></p> <p><i>Implement throughout the life of the Project</i></p>	<p>Agency                  PFIs                  Sub-project beneficiaries</p>
4.5	<p><b>AWARENESS RAISING IN COMMUNITIES</b>                  For sub-projects involving substantial infrastructure (for example, the construction of Innovative Polygons), hold sessions in each community affected by the Project to raise awareness of health and safety risks and inform about the rights and obligations of the Contractor, as a prospect for grievance and compensation.</p>	<p><i>Before commencement of the works</i></p>	<p>Agency</p>

<p>4.6</p>	<p><b>PEST CONTROL</b></p> <p>Check sub-projects for the need to purchase/apply pesticides and fertilizers and apply the preventive and mitigation measures outlined in the ESMF.</p> <p>For sub-projects that require the use of pesticides, identify methods of integrated pest management (IPM) related to these sub-projects, raise awareness on IPM and promote its use in parallel with chemical pest control.</p>	<p><i>During the review of the sub-project application</i></p> <p><i>Monitor the implementation of the pesticides and fertilizers preventive and mitigation measures throughout sub-project implementation.</i></p> <p><i>Determine the applicable IPM methods during the preparation of the sub-project.</i></p> <p><i>Promote the use of IPM throughout the implementation of the sub-project.</i></p>	<p>Agency PFIs Sub-project beneficiaries</p>
------------	--	--	--

**ESS5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT**

<p>5.1</p>	<p><b>RESETTLEMENT PLAN</b></p> <p>This ESS is not relevant to the Project.</p> <p>Activities that could lead to the potential for temporary or permanent forced land acquisition, restrictions on land use, economic activities or access to resources to households, legal entities regardless of the type of legal ownership will be excluded from financing under this Project. The ESMF provided a social screening form and based on the screening results, any activity involving involuntary land acquisition, coercion to acquire land, or negative impacts on economic livelihoods and standards will be excluded from financing.</p>
------------	---

**ESS6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES**

6.1	<p><b>ASSESSMENT OF RISKS AND IMPACTS ON BIODIVERSITY</b></p> <p>In accordance with the requirements of the ESMF, conduct a preliminary assessment the site of each of the activities/sub-projects proposed for financing with respect to their risks and adverse impacts on biodiversity and habitats and avoid them. Where avoidance is not possible, make sure that all measures to minimize risks and adverse impacts and restore biodiversity in accordance with mitigation hierarchy provided in ESS1 are included ins site-specific ESMPs and properly implemented.</p> <p>Prepare and implement a stand-alone Biodiversity Management Plan (BMP) where significant risks and adverse impacts are identified</p> <p>Activities/sub-projects associated with significant risks and adverse impacts on critical habitats will be excluded from Project financing. These requirements will apply to all Project activities, including sub-projects financed under the credit line.</p>	<p><i>During preparation of site-specific ESMPs and throughout the project life cycle</i></p>	<p>Agency PFIs</p>
<p><b>ESS7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b></p>			
<p>This Standard is not relevant, as there are no communities in Uzbekistan that meet the ESS’s definition of Indigenous Peoples.</p>			
<p><b>ESS 8: CULTURAL HERITAGE</b></p>			
8.1	<p><b>CHANCE FINDS</b></p> <p>Make sure that the procedure of chance finds described in the ESMF is reflected in each of the site-specific ESMPs for works inducing excavations, earthworks and demolitions.</p> <p>Ensure the implementation of the procedure of chance finds included in each of the site-specific ESMPs for works leading to excavations, earthworks and demolitions</p>	<p><i>During the preparation of site-specific ESMPs</i></p> <p><i>During the implementation of the sub-projects and activities</i></p>	<p>Agency Beneficiaries PFIs</p>

8.2	<p><b>PHYSICAL CULTURAL HERITAGE (PCH)</b>                  Make sure that all activities/sub-projects with significant risks and adverse impacts on physical cultural heritages will be excluded from Project financing. These requirements will also apply to all Project activities, including sub-projects financed under a credit line.</p>	<p><i>During sub-projects /activities validation process</i></p>	<p>PFI Agency</p>
<p><b>ESS9: FINANCIAL INTERMEDIARIES</b></p>			
9.1	<p>Make sure that the Project Credit Line Manual sets out the PFIs' responsibilities to comply with the requirements of ESS9 and ESMF of the Project, LMPs and Stakeholder Engagement Plan (SEP), including all relevant actions specified in this ESCP.</p>	<p><i>Before the commencement of funds allocation as part of the Regulations on Using the Credit Line</i></p>	<p>Agency</p>
9.2	<p><b>ESMS</b>                  Prepare, adopt, , maintain and implement satisfactorily an Environmental and Social Management System (ESMS) within the PFIs, including the general E&amp;S Policy and acceptable to the Agency and the Bank.</p>	<p><i>Prior to the commencement of funds allocation to the relevant PFIs as part of the Subsidiary Credit/Loan Agreement with the PFIs.</i></p> <p><i>the ESMS is maintained and operated throughout the entire period of the Project.</i></p>	<p>Agency PFIs</p>
9.3	<p><b>FINANCIAL INTERMEDIARIES - ORGANISATIONAL CAPACITY</b>                  Create and/or maintain organizational capacity and competencies to implement Environmental and Social Management System (ESMS) in each PFI with clearly defined roles and responsibilities, including the appointment of one Environmental and one Social Safeguards specialists responsible for the selection of sub-projects screening, risk assessment and monitoring of E&amp;S related activities.</p>	<p><i>Prior to the commencement of funds allocation to the relevant PFIs as part of the Subsidiary Credit/Loan Agreement with the PFIs. Once established, designated E&amp;S specialists recruited and operate throughout the Project implementation period.</i></p>	<p>PFI</p>

9.4	<p><b>REPRESENTATIVE OF SENIOR MANAGEMENT:</b>                  Designate a representative from senior management of the PFI, who will bear overall responsibility for the environmental and social performance of the credit line and the sub-projects of the PFI to be financed.</p>	<p><i>Designate representatives prior to the commencement of funds allocation to the relevant PFI as part of the Subsidiary Credit/Loan Agreement with the PFI.</i></p> <p><i>Retain designated representatives during the entire term of the credit line.</i></p>	PFIs
<b>ESS10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN</b></p> <p>Update, disclose, adopt, and implement the SEP consistent with ESS10, in a manner acceptable to the Bank.</p>	<p><i>Disclose SEP before the Effective Date of the Project and updated within the 30 days if necessary.</i></p> <p><i>Implement and update SEP semiannually throughout the Project implementation.</i></p>	Agency

10.2	<p><b>GRIEVANCE MECHANISM</b></p> <p>Develop and maintain a GM for affected parties, other interested parties</p> <p>An accessible GM shall be established, publicized, maintained and operated 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 GM shall also receive, register and address concerns and grievances related to the sexual exploitation and abuse, sexual harassment in a safe and confidential manner, including through the referral of survivors to gender-based violence service providers.</p>	<p><i>Develop before the Effective Date of the Project and maintain throughout the implementation of the Project</i></p>	<p>Agency</p>
<b>ORGANISATIONAL CAPACITY AND COMMITMENT (TRAINING)</b>			
CS1	<p>As part of the project launch activities, conduct an Environment and Social Standards (ESS) training in Tashkent and the target regions of the Project for the following audiences:</p> <ul style="list-style-type: none"> <li>• Agency staff</li> <li>• Local authorities</li> <li>• Community members</li> <li>• Farmers/agricultural enterprises, small businesses and/or organizations</li> <li>• PFIs</li> </ul>	<p><i>The relevant employees shall be trained at the time of hiring and before the start of work on the Project.</i></p>	<p>World Bank Agency</p>
CS2	<p>Training for Project employees on OHS, including measures for prevention and emergency preparedness, as well as emergency response measures, public health and safety, including SEA/SH, GRM and Reporting</p>	<p><i>The relevant employees shall be trained at the time of hiring and before the start of work on the Project.</i></p>	<p>Agency Contractors</p>