

ROYAL GOVERNMENT OF BHUTAN

**Accelerate Bhutan's Job Transformation through
Renewable Natural Resource Value Chains (RNR Jobs)
Project (P506825)**

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Appraisal Version

26 March 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Kingdom of Bhutan (the Grant recipient and the Borrower) will implement the Accelerate Bhutan's Job Transformation through Renewable Natural Resource Value Chain Project (the Project), with the involvement of the Ministry of Agriculture and Livestock (MoAL), Ministry of Energy and Natural Resources (MoENR) and Ministry of Health (MoH), as set out in the Financing Agreement (the Agreement). The International Development Association (the Association) has agreed to provide financing for the Project, as set out in 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 Association. 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 Agreement.
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, 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 Association. Said E&S documents may be revised from time to time with prior written agreement by the Association. As provided for under the referred Agreement, the Grant recipient and the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association and the Borrower, 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 Association and the Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Borrower's Representative specified in the Agreement. The Borrower 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 SUPPORT			
A	<p>ORGANIZATIONAL STRUCTURE</p> <p>Assign one E&S focal point for the Project under the PMU to oversee, manage and coordinate E&S, health and safety (ESHS) risks and impacts.</p>	Assign the E&S focal point within two months of effectiveness and maintain throughout implementation.	PMU established under MoAL
B	<p>CAPACITY BUILDING PLAN/MEASURES</p> <p>Following types of training will be provided to the relevant target groups, such as Program staff, stakeholder community, workers, farmers, consultants:</p> <ol style="list-style-type: none"> 1. Introduction to Association's ESF guidelines 2. Stakeholder Engagement 3. Emergency procedure and response 4. Training on GBV/SEA/SH 	Training of staff to be conducted annually (after selected staff in the Implementing Agencies receive training from World Bank E&S team).	PMU established under MoAL
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Association regular reports on the ESHS performance of the Project. The reports shall include:</p> <ul style="list-style-type: none"> • Activities undertaken for protecting the environment and communities. • Summary of stakeholder engagement activities carried out. • Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them. Number and status of resolution of incidents and accidents reported. • Incident reporting • Consolidate Contractor's report • Any other relevant E&S issues 	Submit half yearly reports to the Association throughout Project implementation, commencing two months after the Effective Date. Submit each report to the Association no later than 15 days after the end of each reporting period.	PMU established under MoAL will collect reports from each Implementing Agency (IA), collate and share with WB Team
D	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Association 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 injuries. Provide sufficient details 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. Subsequently, as per the Association's request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.</p>	Notify the Association within 24 hours of learning of the incident or accident. A detailed report will be provided within 96 hours including classification of incident. Carryout Root Cause Analysis (RCA) within 10 calendar days of the incident or accident. Develop Corrective Action Plan (CAP) and implement accordingly, after approval from the Association.	PMU and each IA (MoAL, MoENR, MoH)
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 INSTRUMENTS</p> <p>Adopt and implement an Environmental and Social Code of Practice (ESCoP) (as part of the Operation Manual) to screen all activities supported under the Project, and to assess and mitigate any E&S risks and impacts from these activities (including waste management, traffic management, community health and safety issues, pollution prevention and resource efficiency issues, among others). Develop a negative list of activities that will be screened out from Project which will have significant ES risk and impact.</p>	Develop and adopt the ESCoP within two months of effectiveness and thereafter implement it throughout the Project implementation. Develop the negative list along with the ESCoP	PMU with support from each IA
1.2	<p>MANAGEMENT OF CONTRACTORS</p> <p>Incorporate the relevant aspects of the ESCP, including, inter alia, the Labor Management Procedures, and code of conduct, into the E&S specifications of the procurement documents and contracts with contractors. Thereafter, ensure that the contractors comply and that they require their subcontractors to comply with the E&S specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Association.</p>	As part of the preparation of procurement documents and respective contracts. Supervise contractors throughout Project implementation. Copies of relevant contracts provided to the Association upon request.	PMU with support from each IA that has civil work contract
1.6	<p>USE OF BORROWER ENVIRONMENTAL AND SOCIAL FRAMEWORK</p> <p>Ensure that the E&S risks and impacts of the Project, are managed in accordance with this ESCP and the Borrower's E&S Framework (especially labor and working conditions, OHS, waste management, citizen participation) which includes, inter alia, the country's relevant policy, legal and institutional framework, including its national, departmental, or local implementing institutions and applicable laws, regulations, procedures, and implementation capacity.</p>	Throughout Project implementation	PMU established under MoAL
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Prepare and implement the Labor Management Procedures (LMP) for the Project</p>	Prepare the LMP within two months of effectiveness and thereafter implement the LMP throughout Project implementation.	PMU with support from each IA
2.2	<p>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN</p> <p>Require contractors and subcontractors to prepare and implement OHS Management Measures as per the requirement of prevailing relevant laws and regulations of the implementing country (RGoB).</p>	Prepare the OHS Management Plan prior to engagement of workers and thereafter implement the plan throughout Project implementation.	Civil work contractors under supervision of IAs that has civil work

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.3	<p>GRIEVANCE REDRESS MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate in the Project a grievance redress mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	Establish grievance redress mechanism prior engaging Project workers and thereafter maintain and operate it throughout Project implementation.	Civil work contractors under supervision of IAs that has civil work
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN</p> <p>Incorporate waste management measures to manage hazardous and non-hazardous wastes, consistent with ESS3 in the ESCoP</p>	Prepare the ESCoP (to include waste management measures) within two months of effectiveness and thereafter implement relevant portion of ESCoP throughout Project implementation. ESCoP to form part of Project Operation Manul (PoM)	PMU with support from each IA
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>Incorporate resource efficiency and pollution prevention and management measures in the ESCoP.</p>	Prepare the ESCoP (to include resource efficiency and pollution prevention measures) within two months of effectiveness and thereafter implement relevant portion of ESCoP throughout Project implementation. ESCoP to form part of Project Operation Manul (PoM)	PMU with support from each IA
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>TRAFFIC AND ROAD SAFETY</p> <p>Incorporate measures to manage traffic and road safety risks in the ESCoP as per the Road Safety and Transport Regulations 2021 of the RGoB.</p>	Prepare the ESCoP (to include traffic and road safety measures) within two months of effectiveness and thereafter implement relevant portion of ESCoP throughout Project implementation. ESCoP to form part of Project Operation Manul (PoM)	PMU with support from each IA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.2	<p>COMMUNITY HEALTH AND SAFETY</p> <p>Assess and manage specific risks and impacts to the community arising from Project activities and include mitigation measures in the ESCoP.</p>	Prepare the ESCoP (to include community health and safety measures) within two months of effectiveness and thereafter implement relevant portion of ESCoP throughout Project implementation. ESCoP to form part of Project Operation Manual (PoM)	PMU with support from each IA
4.3	<p>SEA AND SH RISKS</p> <p>Prepare and implement a SEA/SH Action Plan to assess and manage the risks of SEA/SH.</p>	Prepare the SEA/SH Action Plan within two months of effectiveness and thereafter implement the SEA/SH Action Plan throughout Project implementation.	PMU with support from each IA
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	Not Applicable		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	<p>BIODIVERSITY RISKS AND IMPACTS</p> <p>Incorporate measures to manage sustainability and the risks and impacts on biodiversity in the ESCoP.</p>	Prepare the ESCoP (to include biodiversity sustainability measures) within two months of effectiveness and thereafter implement relevant portion of ESCoP throughout Project implementation. ESCoP to form part of Project Operation Manual (PoM)	PMU with support from each IA
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	Not Applicable		
ESS 8: CULTURAL HERITAGE			
8.1	Not Applicable		
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).]			
9.1	Not Applicable		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN</p> <p>Prepare 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 appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.</p>	Prepare the SEP within two months of effectiveness and thereafter implement the SEP throughout Project implementation.	PMU with support from each IA
10.2	<p>PROJECT GRIEVANCE REDRESS MECHANISM</p> <p>Establish, publicize, maintain, and operate an accessible grievance redress 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 redress 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 grievance mechanism within two months of effectiveness and thereafter maintain and operate the mechanism throughout Project implementation.	PMU with support from each IA
INDICATORS FOR IMPLEMENTATION READINESS			
<p>The following actions are indicators for implementation readiness:</p> <p>A. Assignment of ES focal point</p> <p>1.1 Preparation of ESCoP which will form part of PoM</p> <p>10.2 Development of Grievance Redress Mechanism</p>			