



Islamic Republic of Pakistan of Punjab (GoPb)

**Local Government & Community
Development Department (LG&CDD)**

Punjab Inclusive Cities Program: P508094

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

Negotiated Version

November 4, 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Province of Punjab (GoPb) (the Implementing Entity) will implement the Punjab Inclusive Cities Program (PICP) (the Project), overall responsibility for Program reporting by LG&CDD as set out in the Financing Agreement and the Implementing Entity Agreement (the Agreements). The International Development Association (the Association) has agreed to provide the financing for the Project, as set out in the Agreements.
2. The GoPb 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 Agreements. 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 GoPb the Implementing Entity 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 Agreements, the Implementing Entity shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association and the GoPb, 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 GoPb agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the GoPb's Representative specified in the Agreements. The GoPb 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	ORGANIZATIONAL STRUCTURE		
	<p>a. Following institutional setup to be ensured:</p> <p>a. PMDFC to maintain a fully staffed E&S Management team comprising of one Senior Program Officer (SPO) – E&S , one Program Officer (PO) — Social, one Occupational Health and Safety (OHS) Specialist and one Gender Specialist within the Punjab Municipal Development Funds Company (PMDFC); (ii) One DPO - Environment and one DPO - Social each in two regional teams (total four positions in all regions).</p> <p>b. Faisalabad Waste Management Company (FWMC), or its successor, to complete hiring of an environmental specialist, OHS Specialist and a social management specialist</p> <p>c. LG&CDD to establish and maintain WATSAN (Water and Sanitation) services units in participating ULGs which are notified with an environment and social specialist in each unit.</p> <p>d. Additional resources to support the assessment and management of environmental, social, health and safety risks and impacts of the Project will be ensured and maintained throughout the Project implementation.</p> <p>b. Enter into cooperation arrangements with all participating Urban Local Governments (ULGs) to manage E&S risks and impacts of the Project by the appointment and notification of Focal Persons at each ULG as i. Municipal Officer Infrastructure (MOI) for environment and; ii. Municipal Officer Planning (MOP) for social management.</p> <p>c. Hiring of an independent verification agency for overall supervision of the Project Operation including monitoring and reporting of the Project.</p>	<p>a. No later than sixty (60) days after the Effective Date of the Financing Agreement and maintain these positions throughout Project implementation. Appoint E&S zonal teams and environmental and social staff at the FWMC within sixty (60) days after the Effective Date of the Financing Agreement. Notification for the WATSAN unit is received and E&S Specialist hired no later than sixty (60) days after effectiveness, and the unit remains functional for duration of the Program.</p> <p>b. Appoint focal persons at ULG level within 3 months after effectiveness before commencing the design activities in the respective ULG.</p> <p>c. Appoint an independent verification agency within 3 monthswithin one year of the Effective Date of the Financing Agreement.</p>	<p>Managing Director (MD) PMDFC, MD FWMC, along with Secretary LG&CDD (for the hirings at their respective units)</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
B	<p>CAPACITY BUILDING PLAN/MEASURES</p> <p>Prepare and implement the capacity building plan for the following capacity building measures:</p> <p>Train ULG and FWMC staff, other stakeholders, Project workers on World Association’s ESF Policy, E&S Screening of TA activities, Stakeholder mapping and engagement, grievance redress mechanism (GRM), Sexual Exploitation and Abuse (SEA)/Sexual harassment (SH), emergency preparedness and response, incident response and reporting and specific aspects of E&S assessment including Occupational Health and Safety (OHS) and Community Health and Safety (CHS).</p>	<p>Prepare Capacity Building Plan within ninety (90) days after the Effective Date of the Financing Agreement</p> <p>Implement the Capacity Building Plan throughout the Project Implementation</p>	<p>SPO (E&S, OHS), PO (Social) and Gender Specialist PMDFC,</p> <p>DPO (Environment) and DPO (Social) of Zonal Offices</p> <p>MOI and MOP, ULGs</p> <p>Environmental, OHS Specialist & Social Management Specialist, FWMC</p>
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (ESHS) 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 (SEP). • 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 under action D below. 	<p>Submit bi-annual reports to the Association throughout Project.</p> <p>Implementation, commencing after the Effective Date of Financing Agreement.</p> <p>Submit each report to the Association no later than 15 days after the end of each reporting period.</p>	<p>MD with the support of SPO (E&S, OHS), PO (Social) and PO (Gender) Regional offices, ULGs’ focal persons, FWMC’s Environmental, OHS Specialists & Social Management Specialist.</p>
D	<p>INCIDENTS AND ACCIDENTS</p> <p>Notify the Association 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</p>	<p>Notify the Association no later than 24 hours after learning of the incident or accident. Provide available details upon request.</p>	<p>MD with support of: SPO (E&S, OHS), PO (Social) and Gender Specialist, PMDFC,</p>

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	<p>resources; pollution of the environment; forced or child labor; displacement without due process (forced eviction); allegations of SEA, or 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 root causes. Prepare, agree with the Association 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>Provide review report and Corrective Action Plan to the Association no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Association.</p>	<p>DPOs Environment and Social of Zonal Offices</p> <p>MOI and MOP, ULGs</p> <p>Environmental Specialist, OHS Specialist & Social Management Specialist, FWMC</p>
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the design consultancies, studies, capacity building, training, and any other TA activities under the Project are carried out in accordance with terms of references (ToRs) acceptable to the Association that are consistent with the ESSs including ensuring that the ToRs for TA activities that may have potential downstream E&S and SEA/SH risks and impacts include requirements for assessment of such risks and impacts with proposed mitigation measures. Output reports of TA activities shall include appropriate E&S risks and impacts assessment, and mitigation measures, consistent with the ESSs. ToRs and output reports shall be submitted for Bank's review and no objection and will be included in the bidding documents for implementation of the studies and other TA activities.</p>	<p>Prior to the start of the bidding procedure for a TA activity, and throughout TA activity implementation.</p> <p>Prior to the acceptance of all ToRs and TA output reports</p>	<p>MD with support of: SPO, PO and Gender Specialist, PMDFC,</p> <p>DPOs Environment and Social of Zonal Offices</p> <p>Environmental, OHS Specialist, OHS & Social Management Specialist, FWMC</p>
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Ensure that the workers are engaged in the implementation of the Project in accordance with ESS2. Implement the following measures:</p> <p>a) Provide direct 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) Provide access to grievance mechanisms without fear of retaliation;</p>	<p>The terms of employment for recruiting workers to manage TA activities will include provisions that will be aligned with the requirements of ESS2 as and when the hirings are being done throughout the project implementation.</p>	<p>MD with support of: SPO, PO and Gender Specialist, PMDFC</p> <p>DPOs Environment, OHS and Social of Zonal Offices</p> <p>MOI and MOP, ULGs</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>c) 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 SEA/SH cases; and</p> <p>e) Incorporate the relevant requirements above in the E&S specifications of the procurement documents and contracts of the direct workers in the implementation of the Project.</p>		<p>Environmental, OHS Specialist & Social Management Specialist, FWMC</p>
2.2	<p>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN</p> <p>The consultant and contracts of Direct Workers will ensure the application of relevant aspects of ESS2, including, but not limited to, the adoption of clear terms and conditions of employment and the implementation of adequate OHS measures during office and field works.</p>	<p>The employer of consultants and direct workers will ensure that relevant aspects of ESS2 are included and adhered throughout the implementation period.</p>	<p>MD with support of: SPO, PO and Gender Specialist, PMDFC</p> <p>DPOs Environment and Social of Zonal Offices</p> <p>MOI and MOP, ULGs</p> <p>Environmental, OHS Specialist & Social Management Specialist, FWMC</p>
2.3	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>The existing Grievance Redress System of PMDFC will be strengthened (if needed) and applied for direct and indirect workers to be employed under the Project consistent with ESS2. The existing GM of PCP adopted for PICP already covers labor issues. GRCs will be based at different levels as specified in GRM SOP.</p>	<p>Strengthen existing GRM (if needed) within 3 months of Effectiveness thereafter maintain and operate it throughout Project implementation.</p>	<p>MD with support of: SPO, PO and Gender Specialist, PMDFC</p> <p>DPOs Environment and Social of Zonal Offices</p> <p>MOI and MOP, ULGs</p>

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			Environmental, OHS Specialist & Social Management Specialist, FWMC
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN</p> <p>The ToRs for the TA activities and the output reports for the Project (such as WASH and Sanitary Landfill) will include recommendations on waste management measures to manage hazardous and non-hazardous waste for the potential downstream activities, if any, consistent with ESS3 requirements. ToRs and output reports shall be submitted for the Association's review and no objection and will be included in the bidding documents for the implementation of the activities and outputs.</p>	Prior to the start of the bidding procedure for the relevant TA activity commencing, and throughout activity implementation.	<p>MD with support of: SPO, PO and Gender Specialist, PMDFC</p> <p>DPOs Environment and Social of Zonal Offices</p> <p>Environmental Specialist, OHS Specialist & Social Management Specialist, FWMC</p>
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>PMDFC and consultant based on the findings and recommendations of energy auditing of target ULGs provide training to the staff at ULGs and FWMC on energy efficient management and application of renewable energy in the implementation and operations of WASH and Solid Waste Infrastructure.</p> <p>TORs will ensure that designs include energy efficient equipment and application of renewable energy in the WASH and Solid Waste infrastructure, and operations manual include energy efficient and renewable energy equipment management of WASH and Solid Waste Infrastructure.</p> <p>Capacity building activities include energy efficiency and renewable energy management</p> <p>ToRs of the consultant shall be submitted for the Association's review and no objection.</p>	<p>Trainings to start within 30 days of completion of energy audit reports.</p> <p>Throughout the Project implementation</p>	<p>MD with the support of SPO (E&S), and SPO Infrastructure Development, GM institutional Strengthening</p>
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>TRAFFIC AND ROAD SAFETY</p>		SPO (E&S),

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	Ensure that the ToRs and outputs of TA activities that may have potential downstream risks and impacts related to traffic and road safety incorporate an assessment of such risks and impacts with proposed mitigation measures consistent with ESS4. ToRs and output reports shall be submitted for the Association's review and no objection and will be included in the bidding documents for implementation of the outputs and other TA activities.	Prior to the start of the bidding procedure for a TA activity, and throughout TA activity implementation	OHS, Environmental Specialist, OHS & Social Management Specialist, FWMC, Consultants
4.2	COMMUNITY HEALTH AND SAFETY Ensure that the TORs and outputs of TA activities that may have potential downstream risks and impacts related to community health and safety incorporate an assessment of such risks and impacts with proposed mitigation measures consistent with ESS4. ToRs and output reports shall be submitted for the Association's review and no objection and will be included in the bidding documents for implementation of the studies and other TA activities.	Prior to the start of the bidding procedure for TA activity, and throughout TA activity implementation	Senior Program Officer (E&S), OHS, Environmental Specialist & Social Management Specialist, FWMC
4.3	SEA AND SH RISKS Ensure that the TOR and outputs of TA activities that may have potential downstream risks and impacts related to community health and safety assesses and prevent the risks of SEA and SH consistent with ESS4 requirements.	Prior to the start of the bidding procedure for the relevant TA activity commencing, and throughout activity implementation.	MD with the support of SPO (E&S), PO (Social), and gender specialist OHS, Environmental Specialist & Social Management Specialist, FWMC
4.4	SECURITY MANAGEMENT Security requirements shall be included in the TORs of E&S assessment scope of work as and where needed. TORs will ensure to assess and implement measures to manage the security risks of the Project, including the risks of engaging security personnel to safeguard Project workers, sites, assets, and activities. Security arrangements should be included in the Operations Manual and in E&S assessment instruments (wherever relevant).	At the time of preparation of Operations Manual and TORs for E&S assessment instruments	SPO (E&S), PO (Social), gender specialist OHS, Environmental Specialist & Social Management Specialist, FWMC
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	RESETTLEMENT FRAMEWORK		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Ensure that the ToRs and output reports of TA activities that may have potential downstream land acquisition and resettlement (LAR) risks and impacts incorporate an assessment of such risks and impacts, and proposed mitigation measures consistent with ESS5. ToRs and output reports shall be submitted to the Association's review and no-objection and will be included in the bidding documents for implementation of the studies and other TA activities.	Prior to the start of the bidding procedure for a TA activity, and throughout TA activity implementation	SPO (E&S), PO (Social), Gender Specialist OHS, Environmental Specialist & Social Management Specialist, FWMC
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	BIODIVERSITY RISKS AND IMPACTS The preparation of a habitat screening checklist will be incorporated into the TORs to ensure that ecologically sensitive sites are not selected. If applicable, analysis of potential downstream biodiversity impacts and recommended measures will be reflected in relevant research findings of relevant TA activities and will be included in the bidding documents for implementation of these activities.	Prior to the start of the bidding procedure for a TA activity, and throughout TA activity implementation	SPO (E&S) OHS, Environmental Specialist & Social Management Specialist, FWMC
ESS 8: CULTURAL HERITAGE			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS/CHANCE FINDS a) For TA activities, as relevant, assessment of the potential downstream cultural heritage impacts and proposed mitigation measures, including, chance-find procedures, as relevant, shall be included in ToRs and output reports. ToRs and output reports shall be submitted for the Association's review and no objection and will be included in the bidding documents for implementation of the outputs and other TA activities. b) Development of screening checklist to assess and recommend sites, ensuring that cultural heritage sites are excluded.	a) Prior to the start of the bidding procedure for a TA activity, and throughout TA activity implementation. b) At design stage	SPO (E&S), and PO (Social) OHS, Environmental Specialist & Social Management Specialist, FWMC
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN Implement the Stakeholder Engagement Plan (SEP) prepared during the preparation.	Implement the SEP throughout Project implementation.	SPO (E&S, OHS), PO(Social), and Gender Specialist. Environmental Specialist & Social Management Specialist, FWMC
10.2	PROJECT GRIEVANCE MECHANISM		

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<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 service providers, all in a safe, confidential, and survivor-centered manner.</p>	<p>Assess, update (if needed) and adopt the existing Grievance Mechanism no later than sixty (60) days after the Effective Date of the Financing Agreement.</p>	<p>SPO (E&S), PO (Social) and Gender Specialist</p> <p>Environmental Specialist & Social Management Specialist, FWMC</p>

INDICATORS FOR IMPLEMENTATION READINESS

The following actions are indicators for implementation readiness:

- i. Recruitment and training of the SPO (E&S), PO (Social), OHS Specialist, Gender Specialist, OHS Specialist and E&S zonal teams in PMDFC; Environmental Specialist and Social Management Specialist at FWMC and Environment and Social Specialist in the WATSAN Unit.
- ii. Establish and implement GM for Project workers.