
**Lao People's Democratic Republic
Ministry of Industry and Commerce
(MOIC)**

**Second Lao PDR Competitiveness and
Trade Project (P512702)**

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

[Appraisal Version]¹

December 05, 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Government of Laos (GoL) (the Recipient) will implement the Second Lao PDR Competitiveness and Trade Project (the Project), with the involvement of the Ministry of Industry and Commerce (MOIC) as set out in the Grant Agreement (the Agreement). The International Bank for Reconstruction and Development (the Association) acting as the administrator of Second LCTP Trust Fund, has agreed to provide financing for the Project, as set out in 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 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, 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 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 Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association 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 Association and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Recipient's Representative specified in the Agreement or the Permanent Secretary of MOIC. 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	ORGANIZATIONAL STRUCTURE a. Establish and maintain a PIU with qualified staff and resources to support management of environmental, social, health and safety risks and impacts of the Project including an Environmental and Social focal point.	a. Establish a PIU and appoint an E&S focal point prior to commencement of project activities and thereafter maintain the position throughout Project implementation.	NIU/PSO
B	CAPACITY BUILDING PLAN/MEASURES Prepare and implement the following capacity building measures: <ul style="list-style-type: none"> Training for the E&S focal point on proportionate measures for safe event management, accessibility, labor management, GRM, incident preparedness and response, and SEA/SH sensitive grievance mechanisms and GBV service provider referral pathways. 	Capacity building measures initiated prior to commencement of project activities.	NIU/PSO
MONITORING AND REPORTING			
C	REGULAR REPORTING Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (E&S) performance of the Project. The reports shall include: <ul style="list-style-type: none"> Status of preparation and implementation of E&S measures required under the ESCP. 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 E below. 	Submit semi-annual reports to the Association throughout Project implementation, commencing after the Effective Date. Submit each report to the Association no later than 10days after the end of each reporting period.	NIU/PSO

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
E	<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 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 Association 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 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>Notify the Association 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 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>	NIU/PSO
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.3	<p>TECHNICAL ASSISTANCE</p> <p>Carry out the consultancies, studies (including feasibility studies, (if applicable), capacity building, training, and any other technical assistance activities under the Project, in accordance with terms of reference acceptable to the Association, that are consistent with the ESSs. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.</p>	Throughout Project implementation.	NIU/PSO
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>a) Provide 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 emergency preparedness and response) measures, taking into account the General Environmental, Health and Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP) and, as appropriate, the industry-specific EHSGs and other Good International Industry Practice (GIIP);</p>	Carry out the measures throughout the implementation of the Activities	NIU/PSO

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<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 and redress mechanisms without fear of retaliation; and 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 and SH cases; and</p> <p>e) Incorporate the relevant requirements above in the ESHS specifications of the procurement documents and contracts with third parties that engage workers in the implementation of the Activities.</p>		
2.2	<p>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN</p> <p>Prepare and implement OHS measures to manage the OHS risks and impacts of the Project.</p>	Prepare the OHS measures as part of the POM prior to commencement of project activities and thereafter implement the measures throughout Project implementation.	NIU/PSO
2.3	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for Project workers, as described in the POM and consistent with ESS2.</p>	Establish grievance mechanism prior engaging Project workers and thereafter maintain and operate it throughout Project implementation.	NIU/PSO
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN</p> <p>Prepare and implement e-waste measures, as part of the POM prepared for the Project, to manage hazardous and non-hazardous wastes, consistent with ESS3.</p>	Prepare the e-waste measures as part of the POM prior to commencement of project activities and thereafter implement the measures throughout Project implementation.	NIU/PSO
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>COMMUNITY HEALTH AND SAFETY</p> <p>Assess and manage specific risks and impacts to the community arising from Project activities, including, venue safety and hygiene protocols, road safety/accident prevention, codes of conduct, SEA/SH awareness), and include mitigation measures in the POM to be prepared for the project.</p>	Same timeframe as for the preparation and implementation of the POM.	NIU/PSO
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT is not relevant.			
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES is not relevant.			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES [See examples of possible actions below that can be used if determined that ESS7 is relevant, as set out in paragraph 54 of the E&S Policy and paragraphs 8-10 of ESS7.]			
7.1	INDIGENOUS PEOPLES FRAMEWORK a) Include IP communities in all relevant stakeholder engagement and information disclosure activities as mentioned in actions under section 10.1 below. b) ensure that IP communities have full access to the project GRM referenced in action 10.2 below.	Implement the IP engagement and information disclosure activities, as relevant, throughout the implementation of the Activities	NIU/PSO
ESS 8: CULTURAL HERITAGE is not relevant.			
ESS 9: FINANCIAL INTERMEDIARIES is not relevant.			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN a) Provide stakeholders with information about the environmental and social risks and impacts of the Activities in a timely, understandable, accessible and appropriate manner and format, including but not limited to any environmental and social instruments prepared as part of the Activities through relevant websites (www.t4d.org , www.ltp.org , www.lncci.org and public areas of MOIC, provincial offices of industry and commerce, LNCCI and provincial CCI offices. b) Consult stakeholders in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation, including with regards to any environmental and social instruments prepared as part of the Activities. c) Document the stakeholder engagement activities, including: (i) stakeholder mapping; (ii) description of consultations and participation mechanisms utilized, and records of meetings held; (iii) feedback received and responses to said feedback; and (iv) measures to engage stakeholders who, because of their particular circumstances, may be disadvantaged or vulnerable;	Implement the stakeholder engagement and information disclosure activities throughout the implementation of the project.	NIU/PSO
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.	Establish the grievance mechanism prior to commencement of project activities, and thereafter maintain and operate the mechanism throughout Project implementation.	NIU/PSO

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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.		
INDICATORS FOR IMPLEMENTATION READINESS			
The following actions are indicators for implementation readiness:			
<ul style="list-style-type: none"> A. E&S focal point in place prior to commencement of project activities. B. Project level as well as worker GRMs established prior to commencement of project activities and engagement of project workers, respectively. 			