

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

**Housing and Urban Development Corporation
(HUDCO)**

**Preparation Grant for Urban Infrastructure and
Market Access Program (UI-MAP) (P519077)**

**Appraisal Version
August 21, 2026**

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Housing and Urban Development Corporation (HUDCO) (the Recipient) is planning to implement certain activities (the Activities) for the preparation of the proposed Urban Infrastructure and Market Access Program (UI-MAP) in India, for which it has requested a preparation grant, as set out in the Letter Agreement ("Agreement"). The International Bank for Reconstruction and Development (hereinafter the Bank), acting as trustee of the Grant Facility for Project Preparation, has agreed to provide a grant in the amount of US\$2,000,000 to finance the Activities, as set out in the referred Agreement.
2. The Recipient shall ensure that the Activities are 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 Bank. 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 referred Agreement.
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, 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 for the Activities, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. 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 Bank and the Recipient, this ESCP will be revised from time to time if necessary, during the implementation of the Activities, to reflect adaptive management of changes and unforeseen circumstances related to the Activities or in response to assessment of performance of the Activities. In such circumstances, the Bank and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Recipient's Representative specified in the Agreement or [name position of designated official, e.g. minister, director] of [name of the Implementing Entity, ministry or agency]. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS			
A.	ORGANIZATIONAL STRUCTURE a. HUDCO shall designate an interim Environmental and Social (E&S) focal point from existing qualified staff, or engage a fast-track individual consultant, to support management of E&S risks and impacts of the Activities, including initial review of the Terms of Reference for Activities (a) through (f), pending designation of the Specialists under paragraph (b) b. HUDCO shall designate dedicated Environmental and Social Specialists with relevant environmental and/or social qualifications and experience to manage E&S risks and impacts of the Activities. The Specialists shall also lead review and strengthening of HUDCO's institution-wide E&S system. This is also intended to establish the capacity and systems HUDCO will need for the proposed UI-MAP operation and its longer-term E&S agenda, beyond the preparation period. c. Coordinate with MoHUA, participating State/UT governments and Urban Local Bodies to manage E&S risks and impacts of the Activities.	a. Prior to effectiveness – effectiveness condition. b. No later than 120 days after the Effective Date of the Grant; maintain throughout implementation. c. Coordinate with relevant entities throughout the project preparation period, September 1, 2026 to February 28, 2028.	HUDCO
MONITORING AND REPORTING			
A	REGULAR REPORTING If so requested by the Bank, prepare and submit monitoring reports on the environmental and social performance of the Activities, including but not limited to implementation of the ESCP, status of E&S instruments under preparation and disclosure, stakeholder engagement activities, ESHS performance, status of E&S and fiduciary assessments, E&S review of terms of reference and consultancy outputs, and log and status of any complaints received.	Submit quarterly reports to the Bank within 10 days after each reporting period and otherwise as requested during implementation of the Activities and within the timeframe requested by the Bank.	HUDCO
B	INCIDENTS AND ACCIDENTS Notify the Bank of any incident or accident relating to the Activities 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,	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.	HUDCO

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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 Bank upon request. Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, 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.	Provide review report and Corrective Action Plan to the Bank no later than 10 days following submission of the initial notice, unless a different timeframe is agreed in writing by the Bank.	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.2	TECHNICAL ASSISTANCE a. Consistency with the ESSs. Ensure that all consultancies, studies, capacity building and training under Activities (a) through (f) are carried out in accordance with terms of reference agreed with the Bank and consistent with the ESSs, and that their outputs comply with those terms of reference and the ESSs. b. ToR review and clearance. Prepare and submit to the Bank for review and clearance the terms of reference for all consultancies financed under the Activities. Each ToR shall be consistent with the applicable ESSs and shall specify required outputs, impact assessment methodology, consultation requirements and disclosure obligations. Specific ToR requirements. At a minimum: (i) UiWIN/Ui Exchange digital platform (Activity (a)): integrate E&S screening and exclusion criteria, and data governance and privacy safeguards, into the platform's project intake and eligibility workflows. (ii) Preparatory studies and pipeline diagnostics (Activity (b)): collect site-level E&S baseline and screening data for candidate subprojects, including informal occupants, vendors, encroachments and potential cultural heritage resources.	a) Throughout implementation of the Activities. b) Submit draft ToRs to the Bank at least 30 days before planned consultant mobilization. Receive written clearance before mobilization.	HUDCO

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	(iii) Bankability assessment, market analysis and PPP structuring (Activity (c)): embed E&S covenants and due diligence requirements in standard PPP and financing contract templates and in credit-enhancement instruments, consistent with ESS9. (iv) ESA and IFSA (Activity (d)): assess HUDCO's institution-wide E&S system, including risk screening procedures, institutional responsibilities and adequacy of qualified E&S staffing, to inform staffing requirements, risk classification, choice of instruments and screening/exclusion criteria for the proposed UI-MAP operation. (v) Capacity building for HUDCO Regional Offices and ULBs (Activity (e)): include E&S screening, application of the ESSs, stakeholder engagement and grievance handling alongside financial and technical management training. c. E&S instruments — content, quality and disclosure. Ensure that each E&S instrument prepared under the Activities (ESIA, ESMF, ESMS, ESMP, RAP, SEP) is consistent with the ESSs. Review all drafts and provide comments to consultants before submission to the Bank, prepare instruments in local language where needed for accessibility to affected communities, and disclose final instruments, and any subsequent revisions agreed with the Bank, on HUDCO's website and the Bank's external website.	c) Throughout implementation of the Activities.	
ESS 2: LABOR AND WORKING CONDITIONS			
2	LABOR MANAGEMENT PROCEDURES Ensure that workers are engaged in the implementation of the Activities consistent with ESS2. Elements of Labor Management Procedures will be incorporated into (include where) To this end, ensure that the following measures are carried out:	Receive Bank clearance on Labor Management provision prior to mobilization of first consultant or worker. Update as needed throughout implementation. Carry out the measures throughout implementation of the Activities.	HUDCO

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
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; 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); 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; d. Develop a code of conduct for workers, which shall include measures to prevent and respond to SEA and SH cases; e. Incorporate the relevant requirements above in the E&S specifications of the procurement documents and contracts with third parties that engage workers in the implementation of the Activities; f. Ensure that labor requirements apply to HUDCO staff, consultants, IT vendors, training providers, and other third parties engaged for the Activities, including activities involving UiWIN operationalization, assessments, capacity building, and knowledge exchange.		
ESS 3 to ESS9		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
3	Relevant aspects of these standards shall be considered in the technical assistance activities under action 1.2 above, as relevant, including project pipeline identification, feasibility studies, bankability assessments, PPP structuring, private capital mobilization, UiWIN operationalization, and preparation of E&S safeguards and fiduciary assessments.	Same timeframe as for action 1.2.	HUDCO
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE Incorporate stakeholder engagement and information disclosure measures in the implementation of the Activities, in a manner consistent with ESS10, covering the grant-financed preparation Activities and, to the extent practicable, the anticipated scope of the downstream investment project. To this end, ensure that the following measures are implemented: - Engage stakeholders, as relevant, in relation to UiWIN operationalization, project pipeline identification, capacity-building activities, E&S and fiduciary assessments, and knowledge exchange activities on urban infrastructure financing. Engagement strategies to be agreed with the Bank. - Provide stakeholders, including MoHUA, participating states, ULBs, HUDCO Regional Offices, and other relevant 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 any environmental and social instruments prepared as part of the Activities. - 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;	Implement stakeholder engagement activities throughout implementation of the Activities.	HUDCO

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
d. 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; e. Disclose the engagement activities and plan publicly (on the HUDCO website and the World Bank's external website) before commencing activities involving consultations. f. Update planning and information dissemination as stakeholder engagement evolves and as the project design is refined.		
10.2 GRIEVANCE MANAGEMENT a) Describe the project-level grievance mechanism, including how it will be communicated to affected parties, how complaints will be processed and tracked, and timelines for response. b) Receive and facilitate resolution of concerns and grievances in relation to the Activities, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all parties affected by the Activities, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.	a) Prior to commencement of any activities. b) Throughout implementation of the Activities.	HUDCO