

**Argentine Republic**

**National Agency for the Promotion of Research,  
Technological Development and Innovation  
(*Agencia*)**

**Innovation Program for Smart Growth (PINCRI)  
(P175143)**

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

**June 14, 2022**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Argentine Republic (the **Borrower**), through the Ministry of Science, Technology and Innovation (Ministerio de Ciencia, Tecnología e Innovación, MINCYT) shall cause the National Agency for the Promotion of Research, Technological Development and Innovation (the **Agencia**), to implement the “Innovation Program for Smart Growth (PINCRI)” (the **Project**), as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the **Bank**), has agreed to provide financing for the Project, as set out in the referred agreement.
2. The Borrower, though MINCYT, shall cause the Agencia to carry out the Project 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 Loan 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 Borrower, through MINCYT, shall carry out and cause the Agencia to carry out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Bank.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower through the Agencia and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the President of the Agencia. The Agencia shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<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 instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	<p>Submit reports no later than 45 after the end of each calendar semester as part of the Project Reports required under the Loan Agreement.</p> <p>Throughout Project implementation.</p>	<p>National Agency for the Promotion of Research, Technological Development and Innovation (Agencia)</p>
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>Promptly notify the Bank 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 injury. Provide sufficient detail 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.</p> <p>Subsequently, at the Bank’s request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the Bank no later than 48 hours after learning of the incident or accident. Provide subsequent report to the Bank within a timeframe acceptable to the Bank, as requested.</p> <p>Throughout Project implementation.</p>	<p>Agencia</p>
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>Operate and maintain an organizational structure within the Agencia, named Socio Environmental Management Unit (UGSA, as per its acronym in Spanish), with qualified staff and resources to support management of ESHS risks and impacts of the Project, including an environmental and social management specialist, an environmental engineer, a health and safety specialist and an ESHS specialized lawyer, which shall also coordinate its functions with the rest of the areas of the Agencia.</p>	<p>The UGSA including the qualified E&amp;S staff is already established.</p> <p>The UGSA shall remain operational and shall be maintained throughout Project implementation.</p>	<p>Agencia</p>
1.2	<p><b>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</b></p> <p>1. Carry out an extended consultation with stakeholders on the draft Environmental and Social Management Framework (ESMF) prepared for the Project, consistent with the relevant ESSs and the SEP, in a manner acceptable</p>	<p>1. The consultation on the ESMF shall be completed within 45 days after the Effective Date.</p> <p>2. The updated ESMF shall be submitted for the</p>	<p>Agencia / UGSA</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>to the Bank.</p> <p>2. Update the ESMF with the results of the consultation, with all pertinent mitigation measures, and submit it for Bank approval (No Objection)</p> <p>3. Adopt, disclose, and implement the ESMF prepared for the Project, consistent with the relevant ESSs, in a manner acceptable to the Bank.</p> <p>4. As applicable, cause Project’s Eligible Beneficiaries to adopt and implement the subproject site-specific Environmental and Social Management Plan (ESMP), as set out in the ESMF. The interventions/subprojects and activities described in the exclusion list set out in the ESMF shall be ineligible to receive financing under the Project.</p>	<p>Bank’s no objection no later than 60 days after the Effective Date.</p> <p>3. Once the no objection is provided, the updated version shall be disclosed immediately, and the measures included in the ESMF shall be implemented in accordance with its terms, as required, throughout Project implementation.</p> <p>4. Adopt the ESMP prior to the carrying out of the subproject that requires the adoption of such ESMP. Once adopted, implement the respective ESMP throughout subproject implementation</p>	
1.3	<p><b>TECHNICAL ASSISTANCE</b></p> <p>Ensure that consultancies, studies, capacity building, training, and any other technical assistance activities of the Project are carried out in accordance with terms of reference acceptable to the Bank that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	Throughout Project implementation.	Agencia / UGSA
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p>Develop, adopt and implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms as needed.</p>	<p>LMP submitted for the Bank’s no objection no later than 60 days after the Effective Date, or prior to the recruitment of any project worker, whichever comes first.</p> <p>Once the no objection is provided, LMP are implemented throughout Project implementation.</p>	Agencia / UGSA
2.2	<p><b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b></p> <p>Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	Grievance mechanism for Project workers operational in the same period as the LMP and	Agencia / UGSA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		maintained throughout Project implementation.	
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b></p> <p>Identify, prepare, adopt and implement resource efficiency and pollution prevention and management measures to be addressed under the ESMF to be prepared as per action 1.2 above. As applicable, include such measures in the ESMPs to be prepared in accordance with the ESMF as per action 1.2.4 above.</p>	Same timeframe as for the adoption and implementation of the ESMF and ESMPs when applicable	Agencia / UGSA
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<p><b>COMMUNITY HEALTH AND SAFETY</b></p> <p>Identify, prepare, adopt, and implement measures and actions to assess and manage specific risks and potential impacts to community health and safety arising from Project activities, including, inter alia, the inadequate management of waste, the testing of new technologies, response to emergency situations, to be addressed under the ESMF to be prepared as per action 1.2 above. As applicable, include such measures in the ESMPs to be prepared in accordance with the ESMF as per action 1.2.4 above.</p>	Same timeframe as for the adoption and implementation of the ESMF and ESMPs when applicable	Agencia / UGSA
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT. Not currently relevant</b>			
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES. Not currently relevant</b>			
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
7.1	<p><b>NATIONAL INDIGENOUS PEOPLES PLAN</b></p> <ol style="list-style-type: none"> <li>1. Carry out meaningful consultations on the draft National Indigenous Peoples Plan (NIPP) prepared for the Project, consistent with ESS7, in a manner acceptable to the Bank.</li> <li>2. Update the NIPP with the results of the consultation and submit it for the Bank's No Objection</li> <li>3. Adopt, disclose, and implement the NIPP for the Project, consistent with ESS7, in a manner acceptable to the Bank.</li> </ol>	<ol style="list-style-type: none"> <li>1. The consultation on the draft NIPP shall be completed no later than 45 days after the Effective Date.</li> <li>2. The updated NIPP shall be sent for the Bank's no objection no later than 60 days after the Effective Date.</li> <li>3. Once the no objection is provided, the updated version shall be disclosed immediately and the NIPP shall be adopted and implemented in accordance with its terms, as required, throughout Project implementation.</li> </ol>	Agencia / UGSA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
7.2	<p><b>GRIEVANCE MECHANISM</b></p> <p>Prepare, adopt, and implement the necessary arrangements for the attention of grievances from indigenous people and include them in the grievance mechanism established under ESS10, as required under the NIPP and the Stakeholder Engagement Plan (SEP) (see action 10.2).</p>	Together with the timelines for the preparation, adoption and implementation foreseen for the SEP, according to action 10.1 indicated below.	Agencia / UGSA
<b>ESS 8: CULTURAL HERITAGE. Not currently relevant</b>			
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
9.1	<p><b>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</b></p> <ol style="list-style-type: none"> <li>1. Prepare the TOR for recruiting Eligible Fund Managers to act as Financing Intermediaries (FIs) of the Investment Sub-windows under Part 2 of the Project, which shall include appropriate E&amp;S qualifications as set out in the ESMF and in this ESCP and submit to the Bank’s prior review and no objection.</li> <li>2. Recruiting Eligible Fund Managers with adequate and competent E&amp;S management capacity following the TOR for the Fund Managers.</li> <li>3. Cause Eligible Fund Managers of the Investment Sub-window to develop (or adapt, if applicable), maintain, and implement an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of the Eligible Funds investments that receive support from the Project. The ESMS shall include, inter alia, the following elements: <ul style="list-style-type: none"> <li>• Identification of the Eligible Funds investments that may receive support from the Project.</li> <li>• Exclusion list with the activities and type of investments that are not eligible for financing (aligned with action 9.2 below)</li> <li>• An environmental and social policy endorsed by the Eligible Fund Manager senior management.</li> <li>• Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of the Eligible Funds investments, in accordance with ESS9, including, inter alia, stakeholder engagement and disclosure requirements applicable to Eligible Funds investments.</li> <li>• An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities (aligned with action 9.3</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Prior the Agencia’s launching of request of proposals for recruiting Fund Managers.</li> <li>2. As part of the selection process of Eligible Fund Managers.</li> <li>3. The ESMS shall be developed (or adapted, if applicable) by the Eligible Fund Manager prior to making any investments under the corresponding Eligible Fund, as per the Partnership Agreement between the Agencia and the Eligible Fund Manager.</li> </ol> <p>Once established, maintain and implement the ESMS throughout Project implementation.</p>	<p>Agencia / UGSA</p> <p>Eligible Fund Managers</p>

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>below)</p> <ul style="list-style-type: none"> <li>• Monitoring and reporting of environmental and performance of Eligible Funds investments and the effectiveness of the ESMS.</li> <li>• Incidents and accidents notification and subsequent reporting requirements, as set out in action B above.</li> <li>• An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner.</li> </ul> <p>4. Require Eligible Fund Managers to also provide a safe and healthy working environment applying relevant aspects of ESS2; it shall have in place, maintain and support with documented evidence appropriate labor management procedures relating to working conditions and terms of employment, nondiscrimination and equal opportunity, grievance mechanism and occupational health and safety</p> <p>The Eligible Fund Managers shall disclose a summary of each of the elements of the ESMSs through the relevant websites.</p>	<p>4. Throughout their involvement in the Project, as per the respective Partnership Agreement between the Agencia and the Fund Manager</p>	
<p>9.2 <b>EXCLUSIONS</b> Require Eligible Fund Managers to screen all proposed activities and investments under the Eligible Funds against the exclusion list set out in the ESMF, the Operations Manual, and the respective ESMS.</p>	<p>Screen proposed activities and investments under the Eligible Funds before determining whether they are eligible to receive support from the Project.</p>	<p>Agencia / UGSA  Eligible Fund Managers</p>
<p>9.3 <b>ELIGIBLE FUND MANAGERS ORGANIZATIONAL CAPACITY</b> Require Eligible Fund Managers to establish and maintain an organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities, which shall include:</p> <ul style="list-style-type: none"> <li>(i) Designating the general manager to have overall accountability for environmental and social performance of the Eligible Fund (see 9.4).</li> <li>(ii) Establishing an Environmental and Social Risks Management Department.</li> <li>(iii) Recruiting one full-time environmental specialist and one full time social management specialist for daily supervision of the ESMS implementation.</li> <li>(iv) Carrying out E&amp;S management capacity trainings to the Eligible Fund Manager team and relevant Eligible Funds implementation units/investee enterprises.</li> </ul>	<p>At least a plan for the organizational capacity shall be presented, including specific positions/resources, as part of the Eligible Fund Managers proposals to the Agencia’s request for the Investment Sub-windows under Part 2 of the Project.</p> <p>The organizational capacity shall be in place, including specific positions/resources, prior to any Project’s fund is released to the corresponding Eligible Fund.</p>	<p>Agencia / UGSA  Eligible Fund Managers</p>

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>9.4 <b>SENIOR MANAGEMENT REPRESENTATIVE</b> Require Eligible Fund Managers to designate a senior management representative to have overall accountability for environmental and social performance of the Eligible Fund investments that receive support from the Project.</p>	<p>The senior management representative shall be designated at the time of selection of the Eligible Fund Managers.</p>	<p>Agencia / UGSA  Eligible Fund Managers</p>
<p><b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b></p>		
<p>10.1 <b>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</b></p> <ol style="list-style-type: none"> <li>1. Carry out meaningful consultations with stakeholders on the draft Stakeholder Engagement Plan (SEP) prepared for the Project, consistent with ESS10, in a manner acceptable to the Bank.</li> <li>2. Update the SEP with the results of the consultation and submit it for the Bank’s No Objection.</li> <li>3. Adopt, disclose and implement the SEP for the Project, consistent with ESS10, in a manner acceptable to the Bank. The SEP 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.</li> </ol>	<ol style="list-style-type: none"> <li>1. The consultation of the draft SEP shall be completed no later than 45 days after the Effective Date.</li> <li>2. The updated SEP shall be submitted for the Bank’s no objection no later than 60 days after the Effective Date.</li> <li>3. Once the no objection is provided, the updated version shall be published immediately and the SEP shall be adopted and implemented in accordance with its terms, as required, throughout the Project implementation.</li> </ol>	<p>Agencia / UGSA</p>
<p>10.2 <b>PROJECT GRIEVANCE MECHANISM</b> Update, 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 updated 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.</p>	<p>The updated Grievance Mechanism shall be established and publicized no later than 90 days after the Effective Date, and thereafter maintained and operated throughout Project implementation.</p>	<p>Agencia / UGSA</p>



MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>CAPACITY SUPPORT</b>			
CS1	<p>Train the relevant Agencia’s personnel in relevant matters, such as:</p> <ul style="list-style-type: none"> <li>• Gender and intercultural perspective</li> <li>• Operation of the Grievance Mechanism</li> <li>• Other environmental and social issues defined in the Environmental and Social Instruments</li> </ul> <p>Train Project’s Eligible Beneficiaries representatives in:</p> <ul style="list-style-type: none"> <li>• Environmental and social management / ESMPs</li> </ul> <p>Train Eligible Fund Managers key personnel in:</p> <ul style="list-style-type: none"> <li>• ESSs of the WB</li> </ul>	<p>The Training Plan shall be developed as part of the updated ESMF and, therefore, shall be prepared within the timelines set for action 1.2 above.</p> <p>Trainings shall be provided during Project implementation and in accordance with the Training Plan.</p>	Agencia / UGSA