وزارة المالية

The Palestine Liberation Organization (for the benefit of the Palestinian Authority)

Project: Public Financial Management Improvement Project Phase 2 (P177742), Including Additional Financing

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

JANUARY 21, 2022

Updated Version

December 19, 2025

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ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Palestinian Liberation Organization for the benefit of the Palestinian Authority (the Recipient), is implementing the Public Financial Management Improvement Project Phase 2 Project (the Project), with the involvement of the Ministry of Finance (MoF) and the High Council for Public Procurement Policies (HCPPP), as set out in the Trust Fund Grant Agreement for Gaza and the West Bank (TFGWB). The International Bank for Reconstruction and Development/International Development Association (the Bank), acting as the administrator of the (TFGWB), has committed to providing the Project with an additional Financing, as set out in Agreement. **This ESCP supersedes previous versions of the ESCP for the Project and shall apply both to the original and the Additional Financing**.

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 Bank. 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 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 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 Agreements, 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, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Ban 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 Agreements or the Minister of Finance. 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.

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT[1]			
A	**ORGANIZATIONAL STRUCTURE** Maintain the existing Project Management Unit (PMU), within the MoF with qualified staff and resources to support management of ESHS risks and impacts of the Project and AF, including maintaining the Environmental and Social Focal Point to support the ESF management, coordinate implementation of E&S instruments, and support monitoring and reporting to the World Bank.	**Maintain existing PMU with qualified staff and resources, and the Environmental and Social Focal Point throughout Project and AF implementation.**	Ministry of Finance (MoF), Project Management Unit (PMU)
B	**CAPACITY BUILDING PLAN/MEASURES** Provide training to PMU staff and project teams on stakeholder engagement, inclusive information disclosure, grievance handling (including SEA/SH procedures), labor and working conditions and Codes of Conduct, and the OHS and waste management requirements applicable under the project and the AF.	Throughout Project and AF implementation	MoF/ PMU
MONITORING AND REPORTING			
C	**REGULAR REPORTING** Prepare and submit to the Bank regular monitoring reports on the environmental, social and health and safety (ESHS), performance of the Project and AF, including but not limited to the implementation the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, LMP, POM and stakeholder engagement activities according to SEP, and functioning of the grievance mechanisms, including grievance log(s). Report back to stakeholders according to the mechanisms prescribed in the SEP.	Every six months throughout Project and AF implementation, as part of overall project semiannual progress reports. Reporting back to stakeholders shall be carried out annually as prescribed	MoF/ PMU
E	**INCIDENTS AND ACCIDENTS** Notify the Bank of any incident or accident relating to the project and AF 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 Bank upon request.	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.	MoF/ PMU

[1] 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).

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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 the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	**ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS** Incorporate relevant Environmental and Social (E&S) requirements into procurement and contractual documents for goods, consulting, and non-consulting services financed under the Project and the AF. This shall include, OHS measures, requirements for safe installation, handling, housekeeping, and management of minor waste related to IT equipment, in accordance with the e-waste management checklist, and provisions for prevention of and response to SEA/SH, including Codes of Conduct. Adopt and implement the relevant E&S requirements incorporated in the Project Operational Manual (POM) for the Project and the AF. Thereafter, ensure that suppliers comply with the ESHS specifications of their respective contracts.	 Prior to procurement and throughout Project and AF implementation Throughout Project and AF implementation	MoF/ PMU
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	**LABOR MANAGEMENT PROCEDURES** Ensure that labor management measures and working conditions of Project workers are consistent with this ESCP and the Borrower's applicable policy, legal, and institutional framework, in accordance with ESS2. Adopt and implement the Project Labor Management Procedures (LMP) to address labor and working conditions, including prohibition of forced and child labor, occupational health and safety (OHS) risks, Codes of Conduct addressing SEA/SH risks, and operation of a workers' grievance mechanism separate from the project-level grievance mechanism under ESS10. Require suppliers, contractors and service providers, as applicable, to implement OHS management measures in accordance with the LMP	 Throughout Project and AF implementation Throughout Project and AF implementation Throughout Project and AF implementation	MoF/ PMU
2.2	**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT** Implement occupational health and safety (OHS) measures in accordance with the Labor Management Procedures (LMP) for the Project and the AF. Refer to ESS2 Action 2.1.	 Throughout Project and AF implementation	MoF/ PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.3	**GRIEVANCE MECHANISM FOR PROJECT WORKERS** Maintain the original Project grievance mechanism for Project workers described in the LMP and consistent with ESS2.	Maintain and operate the grievance mechanism for Project Workers and throughout Project and AF implementation	MoF/ PMU
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	**E-WASTE MANAGEMENT PLAN** Adopt and implement the e-waste management checklist included in the updated Project Operational Manual (POM), to guide the environmentally sound handling, management, and disposal of IT equipment at end of life. Relevant measures, including management of minor waste generated during installation and consideration of energy efficiency, shall be incorporated into the technical specifications of IT equipment supply contracts, in accordance with ESS3 and referenced under ESS1 Action 1.1.	Throughout Project and AF implementation	MoF/ PMU
3.2	**RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT** Ensure that resource efficiency and pollution prevention measures are integrated into Project activities and the technical specification of supplies in bidding documents.	Prior to supplies' procurement and throughout Project and AF implementation	MoF/ PMU
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.2	**COMMUNITY HEALTH AND SAFETY** Assess and manage community health and safety risks arising from Project and AF, including, inter alia, ensuring access to information and engagement of persons with disabilities in accordance with the Stakeholder Engagement Plan (SEP), and addressing related health and safety risks associated with Project-related trainings and engagement activities, as well as ensuring that SEA/SH-related complaints are handled through confidential and ethical procedures under the project-level grievance mechanism.	Throughout Project and AF implementation	MoF/ PMU
4.3	**SEA AND SH RISKS** Adopt and implement measures to assess, prevent, and manage SEA/SH risks associated with Project and Additional Financing activities, particularly during trainings and stakeholder engagement, including through application of Codes of Conduct for Project workers, awareness-raising as appropriate, and operation of confidential and survivor-centered grievance mechanisms with strengthened referral pathways, in accordance with ESS2, ESS4, and ESS10.	Throughout Project and AF implementation	MoF/ PMU
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
	This Standard is not Relevant		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES.			
	This Standard is not Relevant		

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	This Standard is not Relevant		
ESS 8: CULTURAL HERITAGE			
	This Standard is not Relevant		
	This Standard is not Relevant		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	**STAKEHOLDER ENGAGEMENT PLAN** Prepare and disclose an addendum to the Project SEP for the AF, and implement the Stakeholder Engagement Plan (SEP) for the Project, to also cover the activities under the AF, consistent with ESS10, which includes 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.	The addendum to the SEP was disclosed on December 17, 2025, and will be implemented throughout Project and AF implementation.	MoF/ PMU
10.2	**PROJECT GRIEVANCE MECHANISM** Publicize, maintain and operate the existing Complaints Unit at MoF as an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the original Project and the AF 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. 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.	Throughout Project and AF implementation	MoF/ PMU