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

Palestinian Emergency Financing Facility (PEFF) (P504704), Including First, Second, third, fourth Additional Financing, and Fifth Additional Financing

Appraisal version

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

November 2o, 2025

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ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Palestinian Liberation Organization, acting on behalf of the Palestinian Authority (the Recipient), is currently implementing the Palestinian Emergency Financing Facility Project (PEFF) – (P504704) (the Project). This initiative involves the Directorate General of International Relations and Projects (DGIRP) of the Ministry of Finance (MoF), in accordance with the Trust Fund for Gaza and the West Bank (TFGWB) Grant Agreement and the Palestinian Fund for Reconstruction and Development Multi-Donor Trust Fund (PFRD MDTF) Grant Agreement. The International Development Association (the Association), serving as the administrator of TFGWB and PFRD MDTF, has committed to providing the Project with an additional Fifth Financing (AF) grant USD 65 million and US$18.85 million , respectively. It is important to note that the Parent Project (TF C4120), along with the first AF (TF C5270 and TF C5693), second AF (C6225), third AF (TF C7809 and TF C8078), and fourth AF (TF C9822 and TF C9826), have been fully disbursed, barring a minor balance related to audit fees. This Environmental and Social Commitment Plan (ESCP) supersedes previous versions and will be applicable to the entire operations, encompassing the original financing, the first AF, second AF, third AF, fourth AF, and the newly proposed fifth AF.

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 Grant Agreements. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred 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 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 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 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
MONITORING AND REPORTING			
A	**REGULAR REPORTING** Prepare and submit to the Association 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&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanisms. Progress reports shall cover the implementation of the E&S requirements under the original Project, the first AF, the second AF, the third AF, the fourth AF and the proposed fifth AF.	Submit two Annual reports as part of the overall Project progress reporting to the Association throughout Project implementation, commencing after the Project Effective Date. Submit the first report by June 2026 and the second report within 45 days of the agreed upon Project Closing Date (December 31, 2026).	MoF/PIU
B	**INCIDENTS AND ACCIDENTS** 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; 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. 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.	Notify the Association no later than 48 hours after learning of the incident or accident. Provide available details upon request. 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.	MoF/PIU
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	**ORGANIZATIONAL STRUCTURE** Maintain the existing Project Implementation Unit (PIU), within the Directorate General of International Relations and Projects (DGIRP) at MoF with qualified staff and resources to support management of ESHS risks and impacts of the Project, including the existing Environmental and Social ES Specialist serving as the ES focal point to support the ESF management.	Maintain existing PIU with qualified staff and resources as set out in the Agreements, and the ES Specialist throughout Project implementation.	MoF

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.2	**ENVIRONMENT AND SOCIAL ASSESSMENT AND/OR PLANS** Adopt and implement the Project Operations Manual (POM) for the original Project, the first AF, second AF, the third AF, and the fourth AF which has identified eligibility criteria for financing, as the POM for the fifth AF. Only Eligible Employees – that include; (i) Education employees in the West Bank (including staff that work in institutions providing basic, secondary, pre-primary, and vocational education as defined in the Education Sector Strategic Plan (ESSP), such as teachers and other staff including school principals, janitors, administrative assistants, counselors and other support staff), and (ii) Health sector employees who are staff working in hospitals, primary health care centers and other public health institutions located in the West Bank (including doctors, nurses, technical specialists, administrative staff, janitors, counselors, and other support staff) - are eligible for payment/reimbursement.	Adopt the POM that was cleared by the Association on October 2024 for the fifth AF within one month of the Project Effective Date and implement the POM throughout Project implementation.	MoF/PIU
1.3	**ACTIVITIES SUBJECT TO RETROACTIVE FINANCING** a. Implement corrective actions of the social audit that was prepared and disclosed on March 13, 2025 for the original Project and the first AF. These include: i. Improve public awareness, including through information dissemination on Project GM and its procedures, SEA/SH complaint uptake channel and referral pathways, through the MoF's different portals. ii. Strengthen mechanisms for engaging and receiving feedback from beneficiaries.	a. Implement identified corrective actions throughout Project implementation.	MoF/PIU
1.4	**USE OF RECIPIENT'S ENVIRONMENTAL AND SOCIAL FRAMEWORK** Recipient's E&S Framework refers to the Recipient's relevant policy, legal and institutional framework, including its institutions and applicable laws, regulations, procedures, and implementation capacity that will be partly used for managing project-related grievances and providing feedback to beneficiaries through the Recipient's complaint management and feedback system.	Throughout Project implementation. Notify the Association immediately after taking notice of the change to the Recipient's relevant framework. Subsequent actions, if requested by the Association, shall reflected in an updated ESCP as indicated in paragraph 4 of the Initial Section of this ESCP.	MoF/PIU

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Promptly notify the Association of any changes to the Recipient's E&S Framework that may materially adversely affect the Recipient's ability to manage the E&S risks and impacts of the Project in line with the ESSs and the immediate measures taken or that are planned to be taken to address said changes and the ensuing potential risks and impacts of the Project. If, in the opinion of the Association, such changes adversely affect relevant ESHS risk management aspects of the Project, the Borrower shall agree to implement measures and actions to address them in a manner acceptable to the Association. The ESCP shall be updated to reflect such agreed actions		
2.1	**LABOR MANAGEMENT PROCEDURES** Adopt and implement the Labor Management Procedures for the Project included in the POM, 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.	Same timeframe as for the adoption and implementation of the POM, and throughout Project implementation.	MoF/PIU
2.2	**GRIEVANCE MECHANISM FOR PROJECT WORKERS** Maintain the original Project grievance mechanism for Project workers described in the POM and consistent with ESS2.	Maintain and operate the grievance mechanism for Project Workers throughout Project implementation.	MoF/PIU
ESS3: Resource Efficiency and Pollution Prevention			
	This Standard is not relevant	NA	NA
ESS 4: COMMUNITY HEALTH AND SAFETY			
	Assess any potential project related safety risks pertaining to receipt of salary including for the retroactive financing period and any SEA/SH and security risks and accordingly adopt relevant measures and implement them in accordance with ESS4.	Throughout Project implementation	
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
	This Standard is not relevant	NA	NA
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
	This Standard is not relevant	NA	NA
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	This Standard is not relevant	NA	NA
ESS 8: CULTURAL HERITAGE			
	This Standard is not relevant	NA	NA
ESS 9: FINANCIAL INTERMEDIARIES			
	This Standard is not relevant	NA	NA
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	**STAKEHOLDER ENGAGEMENT PLAN** Prepare and disclose an addendum to the Project SEP for the fifth AF, and implement the Stakeholder Engagement Plan (SEP) for the Project, to also cover the activities under the	The addendum to the Project SEP was disclosed on November 20, 2025, and	MoF/PIU

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	fifth 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 Project SEP will be implemented throughout Project implementation.	
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, the first AF, the second AF, the third AF, the fourth AF and the fifth 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.	Publicize, maintain and operate the existing Complaints Unit throughout Project implementation.	MoF/PIU
CAPACITY SUPPORT			
CS1	On Job Training to be provided for the E&S focal points at the MoF, MoEHE and MoHon SEP and GM	Throughout Project implementation	MoF/PIU

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