Palestine Liberation Organization (for the benefit of the Palestinian Authority)/ through the Ministry of Finannce and Planning (MoFP)

Palestinian Investment Preparation Facility Project

(P513678)

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Negotiated Version

March 04, 2026

Official Use Only

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Palestine Liberation Organization (the Recipient) will implement the Palestinian Investment Preparation Facility Project (the Project), with the involvement of the Ministry of Finance and Planning (MoFP), as set out in the Grant Agreement (the Agreement). The International Bank for Reconstruction and Development/the International Development Association (the Bank), acting as administrator of the West Bank and Gaza Trust Fund, has agreed to provide financing for the Project, as set out in the Agreement.

2. The Palestine Liberation Organization (the Recipient) will implement the Palestinian Investment Preparation Facility Project (the Project), with the involvement of the Ministry of Finance and Planning, as set out in the Grant Agreement (the Agreement). The International Bank for Reconstruction and Development and the International Development Association (the Bank), acting as the administrator of the applicable trust fund, has agreed to provide the financing for the Project, as set out in the Agreement.

3. 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 Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.

4. 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 Agreement, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.

5. 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 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 the Minister of the Ministry of Finance and Planning. The Recipient shall promptly disclose the updated ESCP.

6. 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.

Official Use Only

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	**ORGANIZATIONAL STRUCTURE** a. Maintain within the PPF Project Implementation Unit (PIU) qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project, including one environmental specialist and one social specialist who shall be responsible for the day-to-day management of E&S risks and impacts of the Project. An environmental specialist is already on board, and a social specialist should be hired at the PIU. b. Engage, as required, qualified environmental and social experts and consultants to provide additional technical and advisory support, including conducting environmental and social assessments and management plans under the Project as determined under 1.1.	a. Hire one social specialist no later than two month after the Effective Date and thereafter maintain the environmental and social specialist positions throughout Project implementation. b. Throughout Project implementation.	Ministry of Finance and Planning (MoFP)
B	**CAPACITY BUILDING PLAN/MEASURES** Prepare and implement a capacity building plan (including budget, requisite expertise, timeframe) for the staff of the Project PIU and Project Preparation Unit (PPU) at MoFP and relevant line ministries and agencies in accordance with the PPF-Environmental and Social Management Framework (PPF-ESMF). Training shall include but not be limited to: • World Bank Environmental and Social Framework (ESF) and good international industry practice for • Environmental and social screening and risk classification • Environmental and social risk management in investment projects • Concept of Environmental and Social Impact Assessment (ESIA), incl. assessing Environmental Feasibility and assessing Social Feasibility, scope of Environmental Impact Assessment (EIA) and scope of Social Impact Analysis (SIA), management plans (ESMPs) • Land acquisition and resettlement related assessments and management plans • Monitoring and reporting on environmental and social performance of PPF • Preparation and implementation of stakeholder engagement plans • Occupational health and safety including emergency preparedness and response procedures for Project Workers • Security risk management (for project workers and affected persons) • Grievance mechanisms • Labour and working conditions and associated inspections • Sexual exploitation and abuse/sexual harassment (SEA/SH)	Prepare the draft capacity building plan within 3 months of Effective Date and final version within 6 months of Effective Date. Implement throughout Project implementation.	MoFP
C	**REGULAR REPORTING** Prepare and submit to the Bank regular monitoring reports on the environmental and social performance of the Project. The reports shall include:		MoFP

Official Use Only

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	• Summary of E&S screening outcomes and E&S risk management measures applied to project activities. • Status of preparation and implementation of E&S documents required under the ESCP. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan. • Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them. • E&S performance of consultants as reported through monthly contracted third party and/or other consulting firms' reports. • Incidents and accidents reported under action D below, their number, status and actions for resolution. • Report on E&S due diligence in relation to projects that are being prepared with support of this Project. • Any other E&S aspect requested by the Bank during implementation.	Submit semi-annual reports to the Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than 30 days after the end of each reporting period.	
D	**INCIDENTS AND ACCIDENTS** Notify the Bank 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; forced or child labor; 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	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 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	MoFP
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	**ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS** Prepare, disclose, consult upon, and implement an Environmental and Social Management Framework for the Project (PPF-ESMF), consistent with the relevant ESSs. The PPF-ESMF will set out the principles, procedures, steps, and timelines for preparing activity-specific environmental and social instruments and provide guidance to identify, assess, manage, and monitor the environmental and social risks and impacts of investments selected for preparation under the Project. The PPF-ESMF shall include, inter alia, the following elements: • An Environmental and Social (E&S) Screening Tool, including methodology for E&S risk screening and E&S risk classification according to their potential environmental and social risks and impacts of the selected activities. • E&S exclusion list.	Draft PPF-ESMF disclosed on 24 February 2024, and final version to be disclosed within two months of the Effective Date. Thereafter implement the PPF-ESMF throughout Project implementation.	MoFP

Official Use Only

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	• Generic terms of reference for E&S instruments (assessments and management plans) to be prepared for selected activities commensurate with the E&S risks and in accordance with the relevant ESSs. • Procedures to ensure that Environmental and Social Impact Assessments (ESIAs) and any other ES instruments, as relevant for downstream investments supported under the Project, are prepared in accordance with the World Bank ESF, national requirements, and prospective donor policies, and are consulted and disclosed on the respective Implementing Agency (IA) website. Engage as necessary experienced environmental consultants as part of the technical design consultant or independent firm for preparation of the ESIAs and ES management plans. • Incorporate requirements of the World Bank Group Environmental, Health and Safety EHS Guidelines for relevant sectors • Provide a monitoring plan format that includes monitoring indicators, timing, methods, and institutional responsibilities. • Provide guidance on the preparation of site-specific Emergency Preparedness and Response Plans which shall cover measures to protect the safety and security of Project Workers and stakeholders from war-related hazards and other relevant emergencies, including ERW management procedures, consistent with ESSs. • An organizational capacity and competency for implementing the ESMF with clearly defined roles and responsibilities. • Incidents and accidents notification and subsequent reporting requirements.		
1.2	**TECHNICAL ASSISTANCE** a. Carry out consultancies and studies feasibility studies and business cases, capacity building and training, and any other technical assistance activities under the Project in accordance to the PPF-ESMF, including preparing applicable environmental and social assessments and management plans as determined by screening under 1.1, in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs and World Bank EHS Guidelines for the relevant sectors. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference. b. ESIAs and other E&S instruments shall be reviewed and cleared by the Bank, unless otherwise agreed and reflected in the POM.	Throughout Project implementation.	MoFP
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	**LABOR MANAGEMENT PROCEDURES** Implement Labor Management Procedures (LMP), as part of the PPF-ESMF, to manage labor and working conditions for direct and contracted workers, consistent with ESS2 and applicable national labor requirements. The LMP shall include (among others as required) measures to: • Provide clear and understandable information to Project workers on their terms and conditions of employment.	Throughout Project implementation	MOFP

Official Use Only

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	• Apply occupational health and safety (OHS) measures proportionate to the nature and scale of the Project's technical assistance activities. • Prohibit all forms of forced and child labor. • Apply a Code of Conduct (CoC) addressing expected standards of behavior, OHS obligations, and prevention of and response to sexual exploitation and abuse and sexual harassment (SEA/SH). • Incorporate relevant ESS2 requirements into contracts and terms of reference for consulting firms and service providers, as applicable; and • Establish and operate a grievance mechanism for Project workers, including procedures for receiving and handling SEA/SH-related complaints, consistent with ESS2.		
2.2	**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT** Implement occupational health and safety (OHS) measures in accordance with the Labor Management Procedures (LMP), included in the PPF-ESMF, for the Project.	Throughout Project implementation	MOFP
2.3	**GRIEVANCE MECHANISM FOR PROJECT WORKERS** Establish and operate a grievance mechanism for Project workers, as described in the Labor Management Procedures (LMP) included in the PPF-ESMF, and consistent with ESS2.	Throughout Project implementation	MOFP
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	For all Project's technical assistance activities, assess the risks and impacts related to resource efficiency and pollution prevention and management in relation to Government Selected Investments, consistent with the PPF-ESMF and ESS3. Such risks shall be identified through the Environmental and Social Screening Tool (included in the PPF-ESMF) and assessed and managed through project-specific environmental and social instruments for individual investments, as applicable.	Throughout Project implementation	MOFP
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	For all the Project's technical assistance activities, assess the risks and impacts related to community health and safety in relation to Government Selected Investments, consistent with the PPF-ESMF and ESS4. Such risks shall be identified through the Environmental and Social Screening Tool (included in the PPF-ESMF) and assessed and managed through project-specific environmental and social instruments for individual investments, as applicable.	Throughout Project implementation	MOFP
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	**RESETTLEMENT** For all the Project's technical assistance activities, assess the potential for land acquisition, restrictions on land use, or involuntary resettlement impacts associated with Government Selected Investments. A screening mechanism under the PPF-ESMF shall be applied to identify: (a) the presence of such impacts, as defined under ESS5; and (b) the type of social assessment or resettlement or livelihood restoration instruments, if any, that would be required to address such impacts, consistent with ESS5, as part of the technical assistance.	Throughout Project implementation.	MOFP
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			

Official Use Only

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
6.1	**BIODIVERSITY RISKS AND IMPACTS** For all the Project's technical assistance activities, assess the risks and impacts on biodiversity, natural habitats, and ecosystem services in relation to Government-Selected Investments, consistent with the PPF-ESMF and ESS6. Such risks shall be identified through the Environmental and Social Screening Tool (included in the PPF-ESMF) and assessed and managed through project-specific environmental and social instruments for individual investments, as applicable.	Throughout Project implementation	MOFP
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	Not Relevant		
ESS 8: CULTURAL HERITAGE			
8.1	For all the Project's technical assistance activities, assess the potential risks and impacts on tangible and intangible cultural heritage in relation to Government Selected Investments, consistent with ESS8. The Environmental and Social Screening Tool (included in the PPF-ESMF) shall be applied to identify activities that may result in significant or irreversible adverse impacts on cultural heritage, and such risks shall be assessed and managed through project-specific environmental and social instruments for individual investments, as applicable. Chance Find procedures consistent with ESS8 shall be included in the PPF-ESMF and applied as relevant.	Throughout Project implementation	MOFP
ESS 9: FINANCIAL INTERMEDIARIES			
	Not Relevant		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	**STAKEHOLDER ENGAGEMENT PLAN** a) Prepare, consult upon, disclose, and implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, , which 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. The SEP shall adopt a framework approach to guide the preparation of SEPs for Government Selected Investments, in accordance with ESS10 and commensurate with the environmental and social risk identification and screening conducted under Action 1.1 above. b) Prepare and implement investment-specific stakeholder engagement plans, as required, for each Government Selected Investment, in accordance with the SEP and ESS10. c) Project SEP to be updated as required.	a) SEP prepared and disclosed on 24 February 2026, and to be implemented throughout Project implementation. b) Alongside or part of or prior to procurement of (as appropriate) prior to any design, pre-feasibility or feasibility studies, or environmental and social assessments or management plans. commencement for the respective Government Selected Investments c) Throughout Project implementation.	MOFP
10.2	**PROJECT GRIEVANCE MECHANISM** Establish, publicize, maintain, and operate an accessible grievance mechanism (as described in the SEP), 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 Project grievance mechanism by Project Effective Date and maintain and operate it throughout Project implementation.	MOFP

Official Use Only

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: 1. Recruitment of one Social Specialist in the Project PIU as per Part A. 2. Technical assistance activities for 2026 have been screened for E&S as per PPF-ESMF in Action 1.1 3. Draft PPF-ESMF has been finalized and disclosed as per Action 1.1.			

Official Use Only