



Democratic Socialist Republic of Sri Lanka  
**National Audit Office of Sri Lanka (NAOSL) and  
Ministry of Finance, Economic Stabilization and National  
Policies (MOF).**

**Sri Lanka Public Financial Management  
Strengthening Project (P178432)**

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

**Negotiated  
9 June 2023**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Democratic Socialist Republic of Sri Lanka (the Recipient) will implement the Sri Lanka Public Financial Management Strengthening Project (the Project), through the Ministry of Finance, Economic Stabilization and National Policies (MoF) and the National Audit Office of Sri Lanka (NAOSL), as the Implementing Agencies, as set out in the Grant Agreement. The International Development Association (hereinafter the World Bank) has agreed to provide financing for the Project, as set out in the referred agreement.
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 World Bank. The ESCP is a part of the Grant 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, 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 World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
4. As agreed by the World Bank and Recipient, 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 Recipient, through the MoF and the NAOSL, and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the Recipient. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>MONITORING AND REPORTING</b>			
A	<p><b>REGULAR REPORTING:</b> Prepare &amp; submit to the Bank regular monitoring reports on the environmental, social, health and safety issues &amp; performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&amp;S documents required under the ESCP, stakeholder engagement activities, functioning of the grievance mechanism(s).</p> <p>Collaborate with other agencies and third parties, such as all Implementing Agencies (IAs) and consultants, who are responsible for managing specific risks and impacts and implementing mitigation measures to establish such mitigation measures to gather inputs for reporting.</p>	<p>Submit, in conjunction with the Project’s progress reports, quarterly reports to the World Bank throughout Project implementation, commencing after the Effective Date [signing of the Grant Agreement]. Submit each report to the World Bank every three months during the operation’s implementation</p>	<p>Environmental and Social Safeguards Focal Points (ESFPs) at the Project Co-ordination Team (PCT)</p>
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>Promptly notify the World 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), gender-based violence (GBV), 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 World 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 World Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the World Bank within 30 days after the incident has been reported to the Bank</p>	<p>ESFP, PCT</p>
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ORGANIZATIONAL STRUCTURE:</b></p> <p>Establish and maintain two Project Coordination Teams (PCTs) at the MoF’s Public Finance Department and the NAOSL. Designate qualified staff and resources to support management of ESHS risks and impacts of the Project at the respective PCT.</p> <p>One (1) Environment and Social Focal Point (ESFP) will be designated at each PCT and can be either hired or seconded from the MoF and NAOSL as per the agreed Terms of Reference (TOR) with the World Bank Team.</p>	<p>Establish and maintain PCTs as set out in the Grant Agreement. Designate two ESFPs’ within each respective PCT within one month of the Effective Date, and thereafter maintain these positions throughout Project Implementation.</p> <p>Prior to project commencement.</p>	<p>ESFP, PCT</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.2	<p><b>STUDY TERMS OF REFERENCES FOR TECHNICAL ASSISTANCE:</b></p> <p>Ensure that the studies and technical assistance programs for SOEs and SMEs are carried out in accordance with terms of reference acceptable to the World Bank, and consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	At the time Terms of References are prepared for clearance by the World Bank, thereafter throughout Project Implementation	ESFP, PCT
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES:</b></p> <p>Adopt and implement national labor regulations in compliance with the requirements of ESS2 for all Direct and Contracted workers, including, inter alia, provisions related to terms and conditions of employment, principles on non-discrimination and equal opportunity, management of workers' relationships, working conditions, occupational health and safety, prohibiting child labor and forced labor and prevention of sexual exploitation &amp; abuse/ sexual harassment (SEA/SH).</p>	Adopt labor regulations and measures at the time of engaging Project workers and thereafter maintain and operate it throughout Project implementation.	ESFP, PCT
2.2	<p><b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b></p> <p>Establish and operate a grievance mechanism for Project workers (including handling SEA/SH risks) consistent with ESS2.</p>	Establish grievance mechanism prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.	ESFP, PCT
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>E-WASTE MANAGEMENT</b></p> <p>Over the course of the lifetime of use of all Information Technology (IT) equipment purchases by the project will be disposed at the end of their lifecycle of use or due to any breakage during use as per Hazardous Waste (Scheduled Waste) Management regulations under the National Environmental Act in 2008 under the Gazette Extraordinary 1534/18.</p> <p>As per this regulation and procedures of the Central Environmental Authority (CEA) all government agencies will dispose E- Waste via the mandated authorized collectors listed on the CEA website via the designated collection points. At the time any E-waste is being disposed the government agencies should take all measures to ensure that the regulatory requirements stipulated by the CEA are duly followed.</p>	Over the life cycle of use of the E-Waste	PCT, MOF, NAQSL

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	NOT CURRENTLY RELEVANT		
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY</b>			
5.1	NOT CURRENTLY RELEVANT		
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
6.1	NOT CURRENTLY RELEVANT		
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
7.1	NOT CURRENTLY RELEVANT		
<b>ESS 8: CULTURAL HERITAGE</b>			
8.1	NOT CURRENTLY RELEVANT		
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
9.1	NOT CURRENTLY RELEVANT		
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN (SEP) IMPLEMENTATION:</b>                      Adopt and implement the Stakeholder Engagement Plan (SEP), 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.</p>	SEP will be prepared by Appraisal and Disclosed and thereafter implement the SEP throughout Project implementation.	ESFP, PCT
10.2	<p><b>PROJECT GRIEVANCE MECHANISM FOR STAKEHOLDERS:</b> Establish, publicize, maintain and operate a grievance mechanism (GRM) to , 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 GRM 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>	Grievance Redress Mechanism developed during Project preparation as part of the Stakeholder Engagement Plan	ESFP, PCT
<b>CAPACITY SUPPORT</b>			
CS1	The Recipient will deliver the following training programs:	Respective timelines for each program	PCT and the World Bank

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> <li>a) Fundamentals of ESF and pr and Introduction to the World Bank’s ESF- targeted at both IAs and ESFPS’s</li> <li>b) Training and technical assistance as part of project activities to NAOSL on Environmental and Participatory Auditing.</li> <li>c) Training on implementation of Stakeholder Engagement Plan (SEP) including operation of a GRM for both IAs and ESFPS’s.</li> <li>d) Training on ESS2 and on prevention on Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) for both IAs and ESFPS’s.</li> </ul>	<ul style="list-style-type: none"> <li>a) Within one month of having Project Staff in place at Implementation and Prior to Midterm Review.</li> <li>b) Over the 1st Year of Project Implementation and Prior to Mid term</li> <li>c) Within one month of having Project Staff in place at Implementation and Prior to Midterm Review</li> <li>d) Within one month of having Project Staff in place at Implementation and Prior to Midterm Review</li> </ul>	