



**Republic of Malawi  
Ministry of Finance and Economic Affairs**

**Malawi Fiscal Governance Program for Results**

**P181371**

**Draft**

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

**March 2024**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Malawi (the Recipient) will implement the Malawi Fiscal Governance Program for Results Project (the Project), with the involvement of the Ministry of Finance and Economic Affairs, as set out in the Financing Agreement. The [International Development Association (the Association), has agreed to provide financing P181371 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 Association. The ESCP is a part of the Financing Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement(s).
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 Association. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Association.
4. As agreed by the Association and the 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 Ministry of Finance and Economic Affairs and the Association agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association 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></p> <p>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 E&amp;S requirements under the ESCP, stakeholder engagement activities, functioning of the grievance mechanism(s), activities performed by the Country Systems Support Platform (CSSP) and PIC E&amp;S Specialist and alignment with the requirements under ESS2 notably the code of conduct.</p>	<p>Submit quarterly reports to the Association throughout Project implementation, commencing after the Effective Date.</p> <p>Submit each report to the Association no later than 14 days after the end of each reporting period.</p>	<p>Project Implementation Committee (PIC) Chaired by the Director of the Public Finance Management Systems Division</p>
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>Promptly notify the Association 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 Association’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 Association no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the Association within a timeframe acceptable to the Association.</p>	<p>PIC</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 a PIC with qualified staff and resources to support management of ESHS risks and impacts of the Project including a part time environmental and social specialist with experience in hazardous waste management.</p>	<p>Establish and maintain a PIC as set out in the Financing Agreement.</p> <p>Hire or appoint the E&amp;S Specialist no later than 6 months after Project Effectiveness, and thereafter maintain these positions throughout Project implementation.</p>	<p>PIC</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>Within the Country Systems Support Platform (CSSP) ensure there is expertise available to support implementing partners to address ESHS risks associated with the Project as well as support to other projects under development.</p>	<p>Establish the CSSP no later than 6 months after Project Effectiveness, and thereafter maintain the CSSP with E&amp;S expertise throughout Project implementation.</p>	
	<p><b>EXCLUSION LIST</b> The following activities are not eligible for funding under the IPF:</p> <ul style="list-style-type: none"> <li>• Civil works (including rehabilitation, renovation, or repair works);</li> <li>• Significant procurement of electronic equipment e.g. computers, printers, servers, or other IT related equipment;</li> <li>• Procurement of diesel generators or fuel storage (for back up power); and</li> <li>• Feasibility studies</li> </ul>	<p>Throughout Project implementation</p>	<p>PIC</p>
1.4	<p><b>TECHNICAL ASSISTANCE</b> Ensure that the consultancies, studies capacity building, training, and any other technical assistance activities under the Project, including, inter alia, activities implemented by the CSSP, consultancy to support the work of the DLIs are carried out in accordance with terms of reference acceptable to the Association, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	<p>Throughout Project implementation.</p>	<p>PIC</p>
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b> Ensure that workers are engaged in the implementation of the Activities consistent with ESS2.</p> <p>To this end, ensure that the following measures are carried out:</p> <p>a) Provide workers with information and documentation that is clear and understandable regarding their terms and conditions of employment through written contracts setting out their rights, including, inter alia, rights related to hours of work, wages, overtime, compensation and benefits, as well as written notice of termination of employment, and details of severance payments, as applicable;</p>	<p>Adopt the measures throughout Project implementation.</p>	<p>PIC</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>b) Implement occupational health and safety (including personal protective equipment, and emergency preparedness and response) measures, taking into account the General Environmental, Health and Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP) and, as appropriate, the industry-specific EHSGs and other Good International Industry Practice (GIIP);</p> <p>c) Implement measures, as applicable, to, inter alia: (i) prevent the use of all forms of forced labor and child labor; (ii) enable workers to benefit from, inter alia, access to grievance and redress mechanisms without fear of retaliation; and effective freedom to form and join workers organizations or alternative mechanisms for expressing their concerns and protect their rights related to labor and working conditions;</p> <p>d) Develop and implement a code of conduct for all project workers, which shall include measures to prevent and respond to SEA and SH cases;</p> <p>e) Ensure any consulting firms hired have measures in place to manage labor and working conditions in line with the requirements of national law and ESS2; and</p> <p>f) Incorporate the relevant requirements above in the ESHS specifications of the procurement documents and contracts with third parties that engage workers in the implementation of the Activities.</p>		
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>WASTE MANAGEMENT</b></p> <p>Ensure that wastes generated and resources required in the implementation of the Activities are managed consistent with the requirements of ESS3 including development of an e-waste management plan as relevant.</p>	Throughout Project implementation.	PIC
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<p><b>COMMUNITY HEALTH AND SAFETY</b></p> <p>Assess and manage specific risks and impacts to the community arising from Project activities, including, inter alia, traffic and road safety, behavior of Project workers, and response to emergency situations, and include mitigation measures as part of planning for any field activities.</p>	Throughout Project Implementation	PIC
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	The activities shall not result in land acquisition, restrictions on land use or involuntary resettlement.		PIC
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
	The activities shall not result in risks to biodiversity conservation and sustainable management of living natural resources.		PIC
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
	There are no groups in Malawi that are classified as Indigenous Peoples/ Sub-Saharan African Historically Underserved Traditional Local Communities		PIC
<b>ESS 8: CULTURAL HERITAGE</b>			
	The activities shall not result in impacts to Cultural Heritage.		PIC
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
	The Project does not involve the use of Financial Intermediaries.		PIC
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b></p> <p>Incorporate stakeholder engagement and information disclosure measures in the implementation of the Activities, in a manner consistent with ESS10.</p> <p>To this end, ensure that the following measures are implemented:</p> <ul style="list-style-type: none"> <li>a) Provide stakeholders with information about the environmental and social risks and impacts of the Activities in a timely, understandable, accessible and appropriate manner and format, including but not limited to any environmental and social instruments prepared as part of the Activities. Such information will be made available on relevant government websites.</li> <li>b) Consult stakeholders in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation, including with regards to any environmental and social instruments prepared as part of the Activities;</li> <li>c) Ensure that engagement includes vulnerable groups including, women, the youth and people living with disability to ensure their active involvement in all activities.</li> <li>d) Document the stakeholder engagement activities, including: (i) stakeholder mapping; (ii) description of consultations and participation mechanisms utilized, and records of meetings held; (ii) feedback received and responses to said</li> </ul>	Adopt the required measures 3 months after Project Effectiveness, and thereafter implement the stakeholder engagement activities throughout Project implementation.	PIC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>feedback; and (iv) measures to engage stakeholders who, because of their particular circumstances, may be disadvantaged or vulnerable;</p> <p>e) Submit details of the engagement undertaken during previous quarter and planned engagement for the next quarter as part of the monitoring reports.</p> <p>f) Include engagement on the Program in line with the Communication and Visibility Strategy of the MoFEA in a form that is consistent with ESS10.</p>		
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b>                      Establish, 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 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>	Establish the grievance mechanism no later than 3 months after Project Effectiveness and thereafter maintain and operate the mechanism throughout Project implementation.	PIC
<b>CAPACITY SUPPORT</b>			
CS1	Undertake training to PIC staff and Project workers on: <ul style="list-style-type: none"> <li>• Requirements of the ESF</li> <li>• stakeholder mapping and engagement</li> <li>• labor and working conditions including OHS</li> <li>• e-waste management</li> </ul>	<i>Within the first year of implementation and then as need throughout implementation</i>	PIC