



REPUBLIC OF MOZAMBIQUE

MINISTRY OF ECONOMY AND FINANCE

**Regional Emergency Preparedness & Access to
Inclusive Recovery Program (REPAIR)
Multi-Phase Programmatic Approach (MPA)
Phase 1**

P181014

Draft

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

May 22, 2024

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Mozambique (the Recipient) will implement the Regional Emergency Preparedness & Access to Inclusive Recovery (P181014) MPA Program (the Project) in Mozambique, with the involvement of the Ministry of Economy and Finance (MEF), and supported by ARC Ltd. as an implementing partner in participating MPA countries, including Mozambique, as set out in the Financing Agreement. The International Development Association (the Association) 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 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.
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 as described at next paragraph.
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 MEF and the Association agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Recipient. Through the Minister of the Ministry of Economy and Finance. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</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 and SEP, and reporting on compliance with ESF E&S requirements by distribution partners receiving funds under the REPAIR Fund.</p>	<p>Submit quarterly reports to the Association throughout Project implementation.</p> <p>Submit each report to the Association no later than 15 days after the end of each reporting period.</p>	<p>Ministry of Economy and Finance (MEF) ARC Ltd</p>
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Association of any incident or accident related to MEF-level Project activities 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>In the case of significant incidents or accidents occurring at the level of distribution channels, those channels are expected to follow above Bank guidelines on reporting such occurrences. Where such incidents occur on activities funded through the REPAIR Fund, MEF should be copied on the distribution channel’s notifications and reports sent to the Association.</p> <p>Subsequently, at the Association’s request, prepare a report on the incident or accident that occurred at MEF or distribution channel level and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the Association no later than 48 hours (24 hours’ notice for SEA/SH incidents or accidents resulting in fatalities or serious injuries) after learning of the incident or accident.</p> <p>Forward any notifications or reports received from distribution level to the Association no later than 48 hours (24 hours’ notice for SEA/SH incidents or accidents resulting in fatalities or serious injuries) after learning of the incident or accident</p> <p>Provide subsequent report to the Association within a timeframe acceptable to the Association.</p>	<p>MEF ARC Ltd</p>
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>a) Establish and maintain a Project Focal Point within the MEF to ensure that the eligible distribution channels are fit for purpose and effective at all times by:</p>	<p>a) MEF Focal point is appointed no later than one month after the Effective Date, and thereafter maintains the position throughout Project implementation.</p>	<p>MEF ARC Ltd</p>

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>1) screening activities for which funding is being requested by the distribution channels to determine if they are eligible, using the Exclusion list included in the Governance Framework and Project Operations Manual (POM) (The Exclusion list is also included in Annex 1 of this ESCP);</p> <p>2) ensuring funds allocated to designated national delivery channels, including World Bank compliant social cash transfer projects, Micro, Small and Medium Enterprise (MSME) Finance channels, national disaster funds and other selected channels comply with World Bank ESF standards and Project eligibility criteria provided in the Project’s Governance Framework and POM;</p> <p>3) facilitate the timely collection of relevant E&S compliance and performance data for the ex-ante audit of the distribution channels by ARC Ltd, and for the ex-post audit following disbursement of a Financial Instrument and,</p> <p>4) Mobilize additional staff or consultants as needed on short-term and long-term engagements in accordance with capacity building and institutional assessment needs and for monitoring of distribution channels;</p> <p>b) MEF shall also rely on the support of ARC Ltd’s regional environmental and social (E&S) specialist and country-level dedicated Focal Point and (as needed) other ARC consultants to provide support and capacity building to MEF to ensure compliance with Bank standards and the POM.</p>	<p>b) ARC Ltd Focal Point hired or appointed no later than one month after the Effective Date, and thereafter maintain the position throughout Project Implementation</p>	
<p>1.2 ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>a) Develop, adopt, and implement the SEP with ARC Ltd. support, in a form and substance acceptable to the Association.</p> <p>b) Prepare adopt and implement a Project Operations Manual (POM) with ARC Ltd. support, that will cover Bank ESS requirements for activities to be funded by the REPAIR Fund, including OHS, SEA/SH and other ESS requirements to be met by MEF, as well as the Exclusion List of what may be financed under the project.</p>	<p>a) Adopt the draft SEP by Appraisal, and complete and disclose final version no later than one month after the Project Effective Date. Thereafter implement it throughout Project implementation.</p> <p>b) and c) Prepare and adopt a POM to be reviewed and cleared by the Association no later than one month after the Project Effective Date. Thereafter implement POM guidelines, and review</p>	<p>MEF ARC Ltd.</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>c) POM shall include procedures to screen, verify and monitor all designated distribution channels to ensure that they have existing E&S instruments for their current (i.e. non-REPAIR) projects, including—but not limited to—Environmental and Social Management Frameworks (ESMFs), Environmental and Social Management Plans (ESMPs), Labor Management Procedures (LMPs), SEA/SH Action Plans, etc.</p> <p>d) For potential current and future distribution channels which do not have any current ESF-compliant E&S risk management procedures or instruments in place, nor similar procedures or instruments which are materially consistent with relevant Bank ESSs, MEF and ARC Ltd will prepare and require distribution channels to implement a climate crisis-oriented ESMF which will be similar to the CERC ESMF developed in Mozambique, and adhering to the activity funding eligibility criteria (including the Exclusion List) to be found in the Governance Framework and the POM.</p>	<p>and update them as needed throughout Project implementation.</p> <p>d) Prepare and adopt the ESMF no later than one month after Project Effective Date. Require and monitor use of instrument by relevant distribution channels throughout Project implementation.</p>	
1.3	<p>TECHNICAL ASSISTANCE</p> <p>Ensure all TA-supported activities to be carried out for the Project are consistent with the ESF, and that TORs to be prepared by MEF and ARC shall include provisions for identifying and addressing potential E&S risks, and 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>	Throughout Project implementation.	MEF ARC Ltd
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>MEF shall adopt and implement in its POM labor management procedures including, where relevant, provisions on working conditions, management of workers relationships, occupational health and safety plans, code of conduct (including relating to SEA/SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for consultants.</p> <p>Distribution channels that are already following ESF procedures shall ensure their Labor Management Procedures are followed for all activities funded through the REPAIR Fund, including grievance redress arrangements for their Project workers.</p>	Adopt the labor management procedures contained in the Project POM no later than one month after the Project Effective Date and thereafter implement throughout Project implementation.	MEF ARC Ltd

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate with ARC Ltd assistance a grievance mechanism for MEF Project workers, consistent with Government HR, GBV/SEA/SH and Labor policies and with ESS2.</p>	Establish worker grievance mechanism no later than one month after Project Effective Date and thereafter maintain and operate it throughout Project implementation.	MEF ARC Ltd
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	Ensure, with ARC Ltd support, that distribution channels receiving REPAIR funds comply with relevant ESS 3 standards, through their existing instruments and procedures and criteria contained in the REPAIR Project POM.	Throughout Project Implementation.	MEF ARC Ltd
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	Ensure, with ARC Ltd support, that distribution channels receiving REPAIR funds comply with relevant ESS 4 standards, including SEA/SH measures, through their existing instruments and procedures contained in the REPAIR Project POM.	Throughout Project Implementation.	MEF ARC Ltd
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	Ensure, with ARC Ltd support, that distribution channels receiving REPAIR funds comply with relevant ESS 5 standards, through their existing instruments and procedures contained in the REPAIR Project POM.	Throughout Project Implementation.	MEF ARC Ltd
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	Ensure, with ARC Ltd support, that distribution channels receiving REPAIR funds comply with relevant ESS 6 standards, through their existing instruments and procedures contained in the REPAIR Project POM.	Throughout Project Implementation.	MEF ARC Ltd
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
NOT RELEVANT FOR MOZAMBIQUE			
ESS 8: CULTURAL HERITAGE			
8.1	Ensure, with ARC Ltd support, that distribution channels receiving REPAIR funds comply with relevant ESS 8 standards, through their existing instruments and procedures contained in the REPAIR Project POM.	Throughout Project Implementation.	MEF ARC Ltd
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	Ensure, with ARC Ltd support, that MSME distribution channels receiving REPAIR funds comply with relevant ESS 9 standards, through their existing instruments and procedures contained in the REPAIR Project POM.	Throughout Project Implementation.	MEF ARC Ltd

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE		
<p>10.1 STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Adopt and implement, with ARC Ltd support, 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.</p>	<p>Prepare the draft SEP by Appraisal, and complete adopt and disclose final version no later than one month after the Project Effective Date. Thereafter update it at least annually and implement it throughout Project implementation.</p>	<p>MEF ARC Ltd</p>
<p>10.2 PROJECT GRIEVANCE MECHANISM</p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanism (GM), to receive and facilitate resolution of concerns and grievances in relation to MEF’s activities and responsibilities within 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> <p>Distribution channels that are already following ESF-compliant procedures shall ensure their SEP and GM procedures are followed for all activities funded through the REPAIR Fund, including grievance arrangements for their end-beneficiaries.</p> <p>Potential current or future Distribution channels with no SEP, GM or similar consultation and grievance redress procedures or instruments which are materially consistent with ESS10 requirements shall, with support from ARC TA, prepare and implement consultation and GM procedures as indicated in the climate crisis-oriented ESMF to be developed by ARC Ltd with support from MEF.</p>	<p>Establish the MEF grievance mechanism no later than one month after the Project’s Effective Date, and thereafter maintain and operate the mechanism throughout Project implementation.</p> <p>New consultation or grievance redress mechanisms needed by current or future distribution channels to be developed and implemented before these channels are eligible to receive REPAIR Fund financing.</p>	<p>MEF ARC Ltd</p>
CAPACITY SUPPORT		

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>CS1 Training to be provided to MEF REPAIR focal point and other staff and consultants involved in REPAIR Project implementation. Training may include the following topics (illustrative list).</p> <ul style="list-style-type: none"> • ESF requirements and their application in the context of the REPAIR Project, including SEA/SH measures, stakeholder consultation and grievance redress procedures. • POM Preparation and implementation • ESMF Preparation, implementation and monitoring • Other relevant ES& topics and capacity building needs as identified during Project implementation 	<p>With one year of Project Effective Date</p>	<p>ARC Ltd World Bank E&S specialists</p>

Annex 1: Eligibility Criteria for activities to be financed under the REPAIR Project

1. Activities financed under the REPAIR Project should meet the following cumulative criteria:

- **Hazards:** all activities shall aim to respond to human or financial impacts from the following types of hazards:
 - Hydro-meteorological shocks: [drought, flood, storm surge / submersion, excess rainfall, tropical cyclone, wildfires, storms]
 - Geological shocks: [earthquake, tsunamis, landslides and volcano eruptions].
 - Other shocks: The contingent credit and reserves can be used to cover the impact of the following shocks: human and zoonotic pandemic, food insecurity or insect invasions.
- **Timing of response.** The funds should target immediate preparedness, emergency response and recovery activities, including the repair of damaged infrastructures to restore critical public services to the population.
- **Beneficiaries.** The funds should provide financial and in kind, direct and indirect support to shock-affected households, farmers and MSMEs, or restore provision of critical public services.
- **Timeframe:** to ensure alignment with the CERC, the activities must be implemented within 12 months maximum from the time MEF has received the funds.

2. Activities financed under REPAIR should follow the relief and recovery phases of post-disaster response.

- **Immediate preparedness:** communication to populations ahead of event, preventive evacuation of population, asset protection work, setting up preventive food reserve, purchase of additional equipment for the civil protection ahead of shock, etc.
- **Relief:** cash-transfer, emergency shelters, primary care, food support to affected population, civil protection interventions, health care facility, animal feed and water tankers to herders, Partial Credit Guarantee or emergency loans and saving support to MSMEs, etc.
- **Recovery:** water pumping, removal of debris, temporary relocation of affected population, medium term medical aid, prevention of floodwater disease, funerals, disposal of deceased livestock, distribution of grain and inputs for farmers, replanting of crop/trees, reinstalment of key public services (electricity, roads, communication, waste,

3. Excluded Activities

The following activities and uses for goods and equipment financed by REPAIR are prohibited. These include but are not limited to illegal activities, activities that do not directly or indirectly support final beneficiaries, activities that could cause significant environmental and social risks to populations or assets impacted.

- Activities associated with human-related and technological hazards risks such as: man-made fires in urban environments, terrorism, war, migration, riots, political crisis, cyber-attacks, financial market crisis, etc
- The construction of new infrastructures, inexistent prior to the disaster or outside the perimeters of the original infrastructure
- Activities which do not provide any direct or indirect benefits to vulnerable households and MSMEs such as capitalizing State-Owned Enterprises (SEOs), payment of sovereign debt, etc
- Activities that would lead to conversion or degradation of critical forest areas, critical natural habitats, and clearing of forests or forest ecosystems
- Activities affecting protected areas (or buffer zones thereof), other than to rehabilitate areas damaged by previous natural disasters
- Land reclamation (i.e., drainage of wetlands or filling of water bodies to create land)
- Land clearance and levelling in areas that are not affected by debris resulting from the eligible crisis or emergency

- River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel)
- Activities that will result in the involuntary taking of land, relocation of households, loss of assets or access to assets that leads to loss of income sources or other means of livelihoods, and interference with households' use of land and livelihoods
- Construction of new roads, realignment of roads, or expansion of roads, or rehabilitation of roads that are currently located on communal lands but will be registered as government assets after rehabilitation
- Use of goods and equipment on lands abandoned due to social tension / conflict, or the ownership of the land is disputed or cannot be ascertained
- Use of goods and equipment to demolish or remove assets, unless the ownership of the assets can be ascertained, and the owners are consulted
- Uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor
- Uses of goods and equipment for activities that would affect indigenous peoples, unless due consultation and broad support has been documented and confirmed prior to the commencement of the activities
- Uses of goods and equipment for military or paramilitary purposes
- Uses of goods and equipment in response to conflict, in any area with active military or armed group operations
- Activities related to returning refugees and internally displaced populations
- Activities which, when being carried out, would affect, or involve the use of, water of rivers or of other bodies of water (or their tributaries) which flow through or are bordered by countries other than the Borrower/Recipient, in such a manner as to in any way adversely change the quality or quantity of water flowing to or bordering said countries.

4. The Government shall not use the funds financed under REPAIR for military or paramilitary or for any other purposes specifically excluded under the terms of financing.