



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

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

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

17th February 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), with the involvement of Ministry of Finance (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 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 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 Ministry of Finance and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and Recipient Minister or the Secretary of Finance. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING: Prepare & submit to the Bank regular monitoring reports on the environmental, social, health and safety issues & performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&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 signing of the Financial Agreement. Every three months during the operation's implementation</p>	<p>Environmental and Social Safeguards Focal Points (ESFPs) at the Project Co-ordination Team (PCT), Communications Officer (CO) at the PCT, MOF, NAOSL</p>
B	<p>INCIDENTS AND ACCIDENTS</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>ESFPs of each PCT, MOF, NAOSL</p>
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE:</p> <p>Assign a qualified staff to support management of E&S risks of the Project at the respective Project Co-ordination Teams (PCTs) that will be set up at the MOF's Public Finance Department and the NAOSL</p> <p>One (1) Environment and Social Focal Point (ESFP) will be assigned at Each PCT and can be either hired or seconded from within the two agencies to the project coordinating units that will be respectively established at both the MoF and NAOSL as per the agreed Terms of Reference (TOR) with the World Bank Team.</p>	<p>Assign a ESFPs' at the MoF and NAOSL who will be responsible for coordination of all activities in the ESCP.</p> <p>Prior to project commencement.</p>	<p>ESFPs, PD, MOF, NAOSL</p>
1.2	<p>STUDY TERMS OF REFERENCES FOR TECHNICAL ASSISTANCE:</p>	<p>At the time Terms of References are</p>	<p>ESFPs, PD, MOF, NAOSL</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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 ESFPS'. Thereafter ensure that the outputs of such activities comply with the terms of reference.	prepared for clearance by the World Bank.	
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES:</p> <p>Adopt and implement national labor regulations in compliance with the requirements of ESS2 for all Direct, Contracted, and Primary Supply Workers, including, inter alia, provisions related to terms 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 & abuse/ sexual harassment (SEA/SH). For Government Civil Servants, adopt and implement rules prohibiting child labor and forced labor, prevention of SEA/SH and measures ensuring occupational health and safety in compliance with ESS2. ¹</p>	Adopt labor regulations and measures at the time of engaging Project workers and thereafter maintain and operate it throughout Project implementation.	ESFPs, PD, MOF, NAOSL
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for Project workers (including handling SEA/SH risks), as described in the LMP and consistent with ESS2.</p>	Establish grievance mechanism prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.	ESFPs, PD, MOF, NAOSL

¹Direct Workers will be all staff with the Project Teams (PTs) established at MoF, NAOSL, Project Monitoring and Evaluation (M&E), Contractors workers will be consultants/experts hired to prepare necessary procedures/frameworks, carry out due diligence activities, provide technical advice and do capacity building and Primary Supply Workers will be those providing IT equipment necessary to rollout the e-procurement system and Government workers will be those with the NAOSL and MoF that may be involved to support project implementation and supervision activities.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>E-WASTE MANAGEMENT</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	ESFPs, PD, MOF, NAOSL
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	NOT CURRENTLY RELEVANT		
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY			
5.1	NOT CURRENTLY RELEVANT		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	NOT CURRENTLY RELEVANT		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	NOT CURRENTLY RELEVANT		
ESS 8: CULTURAL HERITAGE			
8.1	NOT CURRENTLY RELEVANT		
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	NOT CURRENTLY RELEVANT		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN (SEP) IMPLEMENTATION:</p> <p>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.	ESFPs PD, MOF, NAOSL

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.2	PROJECT GRIEVANCE MECHANISM FOR STAKEHOLDERS: Establish, maintain and operate a grievance mechanism (GRM) to ensure reception and timely response to any complaints made about the Project by stakeholders as described in the SEP. Ensure GRM will have provisions for reporting and responding to the grievances/complaints related to sexual harassment, sexual exploitation and abuse, and gender-based violence.	Grievance Redress Mechanism developed during Project preparation as part of the Stakeholder Engagement Plan	ESFPs, PD, MOF, NAOSL
CAPACITY SUPPORT			
CS1	The Recipient will deliver the following training programs: <ul style="list-style-type: none"> a) Fundamentals of ESF and Introduction to the World Bank’s ESF- targeted at both IAs and ESFPs’s b) Training and technical assistance as part of project activities to NAOSL on Environmental and Participatory Auditing. c) Training on implementation of Stakeholder Engagement Plan (SEP) including operation of a GRM for both IAs and ESFPs’s. d) Training on prevention on Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) for both IAs and ESFPs’s. 	Respective timelines for each program <ul style="list-style-type: none"> a) Within one month of having Project Staff in place at Implementation and Prior to Midterm Review. b) Over the 1st Year of Project Implementation and Prior to Mid term c) Within one month of having Project Staff in place at Implementation and Prior to Midterm Review d) Within one month of having Project Staff in place at Implementation and Prior to Midterm Review 	ESFPs, CO, PD, MoF, MoED, MMA and the World Bank