

**Lao People's Democratic Republic
Ministry of Finance (MOF)**

**The Lao PDR Public Financial
Management Reform Project (P179016)**

Final

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

March 2, 2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Lao People’s Democratic Republic (“Recipient” or “Lao PDR”) will implement the Public Financial Management Reform Project (hereafter “the Project”) with the involvement of the Ministry of Finance, as set out in the Grant Agreement of the original financing, and the additional financing (the Grant Agreements). The International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as the administrator of the Lao PDR Public Financial Management Reform Program Multi-Donor Trust Fund has agreed to provide the original financing and additional financing for the Project, as set out in the Grant Agreements. . This ESCP supersedes previous versions of the ESCP for the Project and shall apply both to the original and the additional financing for the Project referred to above.
2. Lao PDR 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 Agreements. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred Grant Agreements.
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 Lao PDR, 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, Lao PDR through its 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 the Recipient’s representative specified in the Grant Agreements . Lao PDR shall promptly disclose the updated ESCP.

The Lao PDR Public Financial Management Reform Project (P179016) ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN DATE: MARCH 2, 2026			
Summary of the Material Measures and Actions to Mitigate the Project's Potential Environmental and Social Risks and Impacts		Timeframe	Responsible agency/Authority
MONITORING AND REPORTING			
A	Regular Reporting. Prepare and submit to the World Bank 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 preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).	Submit the six-monthly reports to the World Bank throughout Project implementation, which commences after the Effective Date. Submit the report to the World Bank no later than 30 days after the end of each reporting period.	MOF, PIU
B	Incidents and Accidents. Promptly notify the World Bank of any incident or accident related 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.	Notify the World Bank no later than 48 hrs after learning of the incident or accident. Provide subsequent report to the World Bank within a timeframe acceptable to the World Bank	MOF, PIU

	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		
SUMMARY ASSESSMENT			
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ORGANIZATIONAL STRUCTURE Establish and maintain an E&S management team within the MOF's Project Implementation Unit with qualified staff and resources to support management of ESHS risks and impacts of the Project	Appointment of the E&S Team 3 months after the Effectiveness date. Maintain the above positions throughout Project implementation.	MOF, PIU
1.2	ENVIRONMENTAL AND SOCIAL INSTRUMENTS Adopt and implement below mentioned management tools for the Project, consistent with the relevant ESSs. <ul style="list-style-type: none"> - Labour Management Procedures with Grievance Mechanism, OHS measures and COVID19 protocol - E-waste Management plan as part of Project Operational Manual (POM) - Capacity Strengthening Plan as part of Project Operational Manual (POM) 	Adopt the mentioned management tool (LMP) before Project appraisal; and (e-waste management plan and capacity strengthening plan) at project implementation; and thereafter implemented throughout Project implementation. Annually reviewed and revised as necessary.	MOF, PIU
1.3	MANAGEMENT OF CONTRACTORS: Incorporate the relevant aspects of the ESCP and the E&S documents required under this ESCP into the procurement documents with contractors.	Prior to launching bidding processes and supervise contractors throughout Project Implementation.	MOF, PIU
1.4	PERMIT, CONSENTS AND AUTHORIZATIONS: Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures, etc., into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply and	Obtain licenses and permits prior to carrying out any Project activity requiring a license.	MOF, PIU to ensure compliance through management plans, POM, and implementation review.

	cause subcontractors to comply with the ESHS specifications of their respective contracts.		
ESS 2: Labour and Working Conditions			
2.1	LABOR MANAGEMENT PROCEDURES. Adopt and implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.	Adopt the LMP before Project appraisal and thereafter implement the LMP throughout Project implementation.	MOF, PIU
2.2	GRIEVANCE MECHANISM FOR PROJECT WORKERS. Develop, maintain and operate a grievance mechanism for Project workers, as described in the LMP. Implement workers' GRM throughout project implementation.	To be finalized by completion of appraisal. Grievance Redressal Committee for the Project has been proposed and will be finalised and approved prior to project appraisal. To be implemented throughout project implementation.	MOF, PIU
2.3	OHS MEASURES: Develop and implement occupational, health and safety (OHS) measures consistent with World Bank Group Environmental Health and Safety Guidelines, which shall be set out in the LMP and Project Operational Manual (POM). Incorporate all OHS requirements and specifications from LMP into bidding documents and contracts. Make sure there is sufficient budget to cover OHS costs in the contracts. Make sure all contractors' employees are properly trained. Review contractors' performance periodically and apply the contractual remedies if necessary.	Adopt occupational, health and safety measures as part of the draft POM and Labour Management Procedures prior to Appraisal and thereafter implement throughout the project implementation.	MOF, PIU

ESS 3: Resources Efficiency and Pollution Prevention and Management			
3.1	ELECTRONIC WASTE MANAGEMENT PLAN. Develop and implement E-Waste Management Plan in accordance and consistent with ESS 3. Include waste management requirements for operation and maintenance of the training centres upgrades in the POM and monitor implementation of measures.	Adopt the E-Waste Management Procedure prior to procurement of electronic or electric equipment and thereafter implement the E-Waste Management Procedure throughout Project implementation.	MOF, PIU
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT. Include resource efficiency (use of energy-efficient equipment) and pollution prevention and management considerations in the POM as well as in the bidding and contract documents in consistent with ESS3 requirements.	Adopt at project implementation and maintain throughout the life of the project.	MOF, PIU
ESS 10: Stakeholder Engagement and Information Disclosure			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION. Adopt 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.	Adopt the SEP prior to appraisal, and thereafter implement the SEP throughout Project implementation.	MOF, PIU
10.2	PROJECT GRIEVANCE MECHANISM. 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.	Establish the grievance mechanism 30 days after the Effectiveness date, and thereafter maintain and operate the mechanism throughout Project implementation.	MOF, PIU

	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>COMMUNICATION PLAN: The Project will develop and disclose all E&S instruments and the project grievance/ feedback management process for project affected people that ensures transparency, prompt feedback and accessibility without costs implications as required by ESS10 and outlined in SEP.</p> <p>Develop an ESF communication guideline for data collection.</p>	<p>Prior to commencement of the Project activities and throughout Project implementation and reporting procedures.</p> <p>Implement and training on ESF communication guideline for data collection throughout Project implementation.</p>	MOF, PIU
Capacity Support (Training)			
CS1	<p>MOF will implement the Capacity Strengthening Plan and provide training programs to all project workers on:</p> <ul style="list-style-type: none"> • stakeholder mapping and engagement • emergency preparedness and response • stakeholder engagement and handling feedback and grievances, as described in the project SEP, • relevant labour and working condition policies, including good workplace health and safety standards, fair and non-discriminatory employment practice and conditions, avoidance of forced labour or employment of children under the age of 18, the worker grievance mechanism, to be established according to 2.2 and 10.2 of the ESCP, • efficient and safe use of ICT equipment, and proper disposal of e-waste and hazardous materials as per the E-Waste Management Plan after its development and before any disposal occurs. 	<p>Within 3-6 months of project effectiveness for handling and disposal of e-waste and SEA/SH issues.</p> <p>Within 6 months after for other topics and annually after that during project implementation.</p>	MOF, PIU

	<ul style="list-style-type: none"> • diverse and respectful workplaces, free of sexual exploitation, abuse or harassment, and racism, gendered based violence and violence against children, • Basic training on the Environmental and Social Management Framework (ESMF), and 		
CS	Provide training for Project workers on occupational health and safety including on emergency prevention and preparedness and response arrangements to emergency situations and safe working environment.	<p>Within 3-6 months of project effectiveness for handling and disposal of e-waste and SEA/SH issues.</p> <p>Within 6 months after for other topics and annually after that during project implementation.</p>	MOF, PIU