

# **Ministry of Finance**

## **Enhancing Public Financial Management Through Information and Communication Technology and Skills 2 Project**

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

**Appraisal Version**

**26 June 2025**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Lao People's Democratic Republic (the Recipient) through the Ministry of Finance (MoF) will implement the Public Financial Management through ICT and Skills Project 2 (P510862) ("the **Project**"), through the Permanent Secretariat Office (PSO), as set out in the Financing Agreement. The International Development Association (the Bank) has agreed to provide the 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 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) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Recipient, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Recipient's Representative specified in the Financing Agreement. The Recipient shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT<sup>1</sup></b>			
A	<b>ORGANIZATIONAL STRUCTURE</b> <ul style="list-style-type: none"> <li>Maintain a Project Management Unit (PMU) with qualified staff and resources to support management of environmental, social, health and safety (E&amp;S) risks and impacts of the Project.</li> <li>The PMU shall appoint an E&amp;S focal person, who will serve as an integral part of the organizational structure of the Project, to be responsible for the daily management and supervision of E&amp;S activities under the Project.</li> <li>The PMU may recruit a part-time Environmental and Social consultant, as needed, with experience, qualifications and terms of reference satisfactory to the Bank.</li> </ul>	<p>Appoint E&amp;S focal person at PMU within 30 days of the Project Effectiveness.</p> <p>Maintain the PMU and the E&amp;S focal person throughout Project implementation.</p>	PMU
B	<b>CAPACITY BUILDING PLAN/MEASURES</b> <p>Prepare and implement the following capacity building measures and training activities:</p> <ul style="list-style-type: none"> <li>Provide training to PMU and project staff on: (i) the Bank's current process and ESF; (ii) stakeholder mapping and engagement; (iii) grievance redress mechanism (GRM) in Project management; (iv) environmental and social supervision, monitoring, and reporting; and (v) labor management procedures including occupational health and safety (OHS).</li> <li>Provide training to project staff on proper disposal of e-waste and hazardous materials as per the Electronic Waste Management Plan before any disposal occurs.</li> </ul>	<p>Training on ESF topics including B. I-V topics and e-waste management to PMU and project beneficiaries of IT system and equipment before commencement of activities</p> <p>Provide related refresher trainings as needed and prior to disposal of e-waste.</p>	PMU
<b>MONITORING AND REPORTING</b>			
C	<b>REGULAR REPORTING</b> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project. The reports shall include:</p> <ul style="list-style-type: none"> <li>Status of preparation and implementation of E&amp;S documents required under the ESCP.</li> <li>Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan.</li> <li>Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them.</li> </ul>	<p>Submit the six-monthly reports to the World Bank after the project Effectiveness and throughout project implementation no later than 45 days after the end of each reporting period.</p>	PMU

<sup>1</sup> For all actions, consult with the country lawyer to ensure consistency with the legal agreement in cases where some actions need to be completed before the project becomes effective (effectiveness condition) or before certain disbursements can occur (disbursement condition).

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> <li>Number and status of resolution of incidents and accidents reported under action E below.</li> <li>Status of training activities associated with E&amp;S topics.</li> </ul>		
D	<b>CONTRACTORS' MONTHLY REPORTS</b> Since the project does not involve civil works, this action is not currently relevant.	NA	NA
E	<b>INCIDENTS AND ACCIDENTS</b> Promptly notify the Bank of any incident or accident relating 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 those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; dam failure; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the Bank upon request.  Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.  Provide review report and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.	PMU
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<b>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</b> Prepare and implement the below instruments for the project, consistent with relevant ESSs. <ul style="list-style-type: none"> <li>Occupational health and safety (OHS) management measures as part of the Project Operation Manual (POM)</li> <li>E-waste management Plan (EWMP)</li> <li>Stakeholder Engagement Plan, which includes grievance mechanism</li> </ul>	Prepare the POM prior to the Project Effectiveness.  Prepare EWMP prior to the Project Effectiveness.  Implement the SEP, POM and EWMP throughout Project implementation.	PMU
1.2	<b>MANAGEMENT OF CONTRACTORS</b> Since the project does not involve civil works, this action is not currently relevant.	NA	NA
1.3	<b>TECHNICAL ASSISTANCE</b> Carry out the consultancies, studies, capacity building, training, and any other technical assistance activities under the Project in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.	Throughout Project implementation.	PMU
1.4	<b>CONTINGENT EMERGENCY RESPONSE FINANCING</b>  Not Relevant		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.5	<b>ASSOCIATED FACILITIES</b> Not Relevant	NA	NA
1.6	<b>USE OF THE BORROWER'S ENVIRONMENTAL AND SOCIAL FRAMEWORK</b> As per the Borrower's Framework Assessment (2024) for Lao PDR, the national legal framework including the Labor Law (2013), Law on Social Security (2018) and Law on Health Insurance (2018), various national guidelines and protocols on health care relevant and applicable to the project are largely in line with ESS2, thus, the Borrower's Environmental and Social Framework will be applied in part under the project to manage labor and working condition issues, OHS risks.	Implement the relevant national legal framework throughout Project implementation.	PMU
1.7	<b>COMMON APPROACH</b> Not Relevant	NA	NA
1.8	<b>ACTIVITIES SUBJECT TO RETROACTIVE FINANCING</b> Not Relevant	NA	NA
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<b>LABOR MANAGEMENT PROCEDURES</b> Stand-alone Labor Management Procedures (LMP) will not be required based on the Borrower's Framework Assessment (2024), which the Bank deems, is largely in line with ESS2 The project will apply the national legal framework, including the Law on Labor (2013) and Law on Health Insurance (2018), Law on Social Security (2018), Decree on Operational Health and Safety (2019) and various health care protocols will be applied under the project to manage the OHS risk.	Implement the relevant national legal framework throughout Project implementation.	PMU
2.2	<b>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN</b> Prepare and implement OHS Management measures as part of the POM.  Require ICT equipment suppliers/contractors and subcontractors to implement OHS Management Measures in accordance with the POM.	Include the OHS as part of the POM prior to the Project Effectiveness  Implement the OHS measures throughout Project implementation.	PMU
2.3	<b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b> Establish and operate a grievance mechanism for project workers in accordance with the Law on Labor (2013) and Law on Grievance Handling (2015), which is required to be prepared and implemented under the project. The key provisions of these national regulations are largely aligned with ESS2.	Establish grievance mechanism prior to engaging any Project workers.	PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		Maintain and operate GRM throughout Project implementation.	
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<b>WASTE MANAGEMENT PLAN</b> Prepare and implement an E-Waste Management Plan (EWMP) for the Project to manage hazardous and electronic wastes, consistent with ESS3.	Prepare the EWMP prior to the Project Effectiveness.  Implement the EWMP prior to commencement of related activities and disposal of e-waste.	PMU
3.2	<b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>  Incorporate resource efficiency (use of energy efficient equipment) and pollution prevention and management consideration in the POM as well as in the bidding and contract documents for ICT equipment supplier(s), consistent with ESS3 requirements.	Include in the bidding document prior to the bidding process.	PMU
<b>ESS4: COMMUNITY HEALTH AND SAFETY</b>			
	No relevant		
<b>SS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
	Not relevant		
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
	Not relevant		
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
	The Project shall be carried out in accordance with the applicable requirements of ESS7, including, inter alia: (i) ensuring that the Stakeholder Engagement Plan (SEP) includes meaningful consultations with officials from ethnic groups or serve specific remote ethnic areas throughout Project implementation so they can be fully informed, participate and benefit from the project; (ii) implementing measures in the SEP to ensure that they are able to access the Project's grievance redress mechanism (GRM) in a culturally appropriate manner.	Implement the SEP throughout Project implementation.	PMU
<b>ESS 8: CULTURAL HERITAGE</b>			
	Not relevant		
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
	Not relevant		
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<b>STAKEHOLDER ENGAGEMENT PLAN</b>  Prepare and implement a Stakeholder Engagement Plan (SEP) covering Citizen engagement activities for the Project, consistent with ESS10, and integrating relevant ESS7 requirements, which shall include measures to, inter alia, provide stakeholders with timely,	Implement the SEP throughout Project implementation.	PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.		
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Publicize, maintain, and operate an existing 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>	Maintain the existing grievance mechanism and operate the mechanism throughout Project implementation.	PMU
<b>INDICATORS FOR IMPLEMENTATION READINESS</b>			
<p>The following actions are indicators for implementation readiness:</p> <ul style="list-style-type: none"> <li>• Establishment of PMU within the MOF-PSO</li> <li>• Appointment of E&amp;S focal person within PMU</li> <li>• Preparation of POM</li> <li>• Preparation of SEP</li> <li>• Preparation of E-waste Management Plan</li> <li>• Provision of trainings to PMU and E&amp;S focal person on implementing, monitoring, and reporting ESF instruments</li> <li>• Provision of trainings to project beneficiaries on SEP, OHS and EWMP</li> </ul>			