



Federal Republic of Somalia
Ministry of Finance

ESMP for Economic Governance Institutional Support Project (EGISP) Project Financing Agreement (FA)

General considerations

1. **Ministry of Finance** is planning to implement the **Economic Governance Institutional Support Project (EGISP)** (the *Project*). The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. **Ministry of Finance** will implement measures and actions of this Environmental and Social Management Plan¹ (*ESMP*) so that the Project meets all the requirements of the Bank Environmental and Social Operational Safeguards (*OS*) and the National policy and legal requirements.
3. Where the ESMP refers to specific plans, whether they have already been prepared or are to be developed, the ESMP requires compliance with all mandatory provisions of such plans.
4. The table below summarizes the material measures and actions that are required, the basis of the requirement, the timing of the measure or action, and the criteria to be used for determining whether the required measure or action has been successfully achieved. **Ministry of**

¹ The ESMP refers to all the E&S risks/impacts and measures, as approved in all the disclosed E&S documents and agreed between the Bank and Borrower. For projects involving multiple subprojects, that are identified, prepared and implemented during the course of the project, the Borrower will need to demonstrate to the Bank, before the project appraisal, through the preparation of E&S documentation of a sample of subprojects, that it has the capacity to carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects in accordance with the national laws and the OSs. (*Section III.2.3 of Bank's ESP and section D of OSI*)

Finance² is responsible for compliance with all requirements of the ESMP even when implementation of specific measures and actions is conducted by an entity different from the Project Implementation Unit (PIU).

5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by **Ministry of Finance** as required by the ESMP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the measures and actions throughout implementation of the Project.
6. As agreed by the Bank and **Ministry of Finance**, this ESMP may be revised from time to time during Project implementation, to reflect adaptive risk management of project changes and unforeseen circumstances or in response to assessment of project performance conducted under the ESMP itself. In such circumstances, **Ministry of Finance** will propose and agree changes with the Bank and then update the ESMP to reflect such changes.

<i>Material Actions³ to Manage the Project's E&S Risks and Impacts</i>		<i>Basis for Requirement</i>	<i>Key Performance Indicator</i>	<i>Indicative Timing/Deadline</i>
Periodic E&S implementation report to the Bank		Bank's ESP and OS1	Reports submitted in time, in good standard	Two weeks after the due period
1	Recruitment of E and S specialists as part of the Project implementation unit	Disclosed ESIA, OS1	Seasoned E&S specialists in the PIU	By Project effectiveness date
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	Letter on appointment of GRM Committee	One month after commencement of the Project
3	Payment of compensation and reinstallation of affected people	SO10	NA	NA
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	Incorporation of E & S measures in Bidding Documents	Before releasing Bidding documents
5	Submission of high-risk activity's Contractor ESMP (C-ESMP) to Bank clearance	Bank's ESP and OS1	C-ESMP Report	Before commencement of the works

6	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank's Disclosure and Access to Information Policy	Contractor GRM Plan submitted & cleared & Letter of appointment of Grievance Mechanism Committee (s)	Before commencement of works
7	Obtaining nationally required licenses prior commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	Requisite licenses & permits	Before commencement of the activity
8	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	Approved & disclosure E & S reports	Before commencement of works
9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank's Disclosure and Access to Information Policy	Cleared Stakeholder Engagement Plan	Before commencement of the activity and implemented throughout project phase
10	Establishment of Emergency Preparedness and Response Mechanism	OS1 & OS4, national legislation on contingencies et	NA	NA
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	EPRP Report	Before commencement of the works
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	N/A ⁴	N/A
13	Capacity building of key project implementers	OS1	Training reports	Continuous
14	Implementation of ESMS/ESAP ⁵	OS1 and OS9, national requirements	NA	NA
14.1	<i>Approval of any required E&S management procedure</i>	Ditto	NA	NA
14.2	<i>Establishment of the E&S unit</i>	Ditto	NA	NA
14.3	<i>Capacity Building of the E&S Unit</i>	Ditto	NA	NA
14.4	<i>Processing the Value Chain E&S due diligence</i>	Ditto	NA	NA

15	Suspending works in the event of EOHS risk or incident, immediately notify the Bank, and resume works only upon no-objection of the Bank.	Bank's ESP	Suspension Letter	Immediately and no later than 48 hours after the occurrence
16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OSI	Report	Immediately and no later than 7 Days after the occurrence
17	Disclosure of Project's E&S reports to the public ⁶	OSI, OS10, Bank's Disclosure and Access to Information Policy	Disclosed E&S Reports (Disclosure link)	Immediately after approval of the E & S reports

For and on behalf of Ministry of Finance of the Federal Government of Somalia.

Signature:

Dr. Saleiman S. Umar

Director General

Ministry of Finance FGS

