

**United Nation Development Program (UNDP)
(For the Benefit of the Republic of Yemen)**

**Yemen Financial Market Infrastructure and
Inclusion project
(P180708)**

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

**Appraisal Version
December 17, 2024**

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The United Nation Development Programme (UNDP or the Recipient), for the benefit of the Republic of Yemen, will implement the Yemen Financial Market Infrastructure and Inclusion project (P180708), with the involvement of the Central Bank of Yemen, as set out in the Grant Agreement. The International Development Association (the Association) has agreed to provide financing (P180708) 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 extent and mode of Association's monitoring with respect to environmental and social performance will be proportionate to the potential environmental and social risks and impacts of the Project. The ESCP is a part of the Grant 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.
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 and the Association agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Recipient Ms. Zena Ali Ahmad, Resident Representative of UNDP. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING¹			
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, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	<p>Submit quarterly reports to the Association throughout Project implementation, commencing after the Effective Date. Submit each report to the Association no later than 15 days after the end of each reporting period. At the request of the Association, submit to the Association, the reports received by the contractors/ firms /implementing partners and UNDP’s monitoring mechanisms.</p>	UNDP
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Association 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), 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, Implementing Partner and/or supervising firm, as appropriate.</p> <p>Subsequently, at the Association’s request, share any contractor or Implementing Partner incident notification and report and prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the Association no later than 48 hours after learning of the incident or accident. Provide subsequent report to the Association within 10 days of the notification, unless otherwise agreed to with the Association.</p> <p>The initial notification and subsequent report on SEA/SH incidents shall be shared with the Association’s corporate Grievance Redress Service (GRS) within the above-referred timeframes.</p> <p>Upon request, share Contractor’s and implementing partners’ notifications and reports to the Association within 7 days following the Association’s request, unless otherwise agreed to with the Association.</p>	UNDP

¹ Information and documents provided to the Association under part B (“Incidents and Accidents”), C (“Contractors’ and Implementing Partners’ Reports”) and 1.2(b) (“Management of Contractors and Implementing Partners”) of this ESCP will be (a) marked as “Information Provided by Member Countries or Third Parties in Confidence” pursuant to the Bank’s Access to Information Policy, and (b) assigned the security classification of “confidential” pursuant to the Bank Directive on Information Classification and Control, i.e., the information will only be: (i) disseminated within the Association on a “need to know” basis; and (ii) shared with third parties on agreement with the Recipient.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
C	<p>CONTRACTORS' AND IMPLEMENTING PARTNERS' REPORTS</p> <p>Require contractors and supervising firms and Implementing Partners to provide regular monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Association.</p>	Submit contractors', supervising firms' and Implementing Partners' regular reports to the Association upon request, as annexes to the reports to be submitted under action A above.	UNDP
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain a Project Coordination Unit (PCU) within the entity implementing the project that is tasked with ESHS management a qualified staff and resources to support the management of ESHS risks and impacts of the Project including gender/SEA/SH specialist, an environmental specialist, and social specialist.</p>	Establish and maintain a PCU as set out in the Grant Agreement. Hire or appoint the specialists prior to the start of activities, and thereafter maintain these positions throughout the Project implementation.	UNDP
1.2	<p>MANAGEMENT OF CONTRACTORS AND IMPLEMENTING PARTNERS</p> <p>a) Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms and Implementing Partners. Thereafter ensure that the contractors and supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts.</p> <p>b) At the Association's request, share contracts/agreements with contractors and Implementing Partners with the Association. Thereafter ensure that the contractors, supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts.</p> <p>c) At the Association's request, in relation to an incident or accident reported under Action B, share the Recipient's full assessment of Implementing Partner capacity to implement the ESS for the Project and any capacity enhancement measures, provided that in the event the Recipient determines that the Implementing Partner(s) reasonably objects to such sharing, a meeting between the Association, the Recipient and the Implementing Partner shall be organized.</p>	<p>As part of the preparation of procurement documents and respective contracts. Supervise contractors and Implementing Partners throughout Project implementation.</p> <p>Share with the Association within 14 days of the Association's request the contracts/agreements with contractors and implementing partners,</p> <p>Share with the Association the incident or accident reported under action B above within 14 days of the Association's request. With the understanding that any meeting to take place within these 14 days, unless agreed otherwise.</p>	UNDP
1.3	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the</p>	Throughout Project implementation.	UNDP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Project 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.		
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Prepare, a Labor Management Procedures (LMP) and/or include adequate clauses consistent with ESS2 to the contracts of contractors/implementing Partners. Provision can be added into the Project Operation Manual (POM) 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.</p> <p>This is to ensure adequate management of labors and working conditions in case substantial number of labors is to be hired under the project. The requirement of a stand-alone Labor Management Procedures (LMP) will be assessed going forward and once more information is gained on the number of labors to be hired under the project, adequate mitigation measures -as mentioned above- will be implemented, as needed.</p>	Before the hiring of substantial number of labors and thereafter implement the Labor Management Procedures (LMP) throughout Project implementation.	UNDP
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	Establish grievance mechanism prior to engaging with Project workers and thereafter maintain and operate it throughout Project implementation.	UNDP
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>E-WASTE MANAGEMENT PLAN</p> <p>Prepare electronic waste management (E-Waste) plan and/or add adequate clauses - consistent with ESS3- to the contracts with the implementing agencies. This is to ensure adequate management of electronic waste in case equipment will be purchased under the project to replace old hardware and/or when the procured equipment comes to the end of life. This potential impact will be assessed going forward and once more information is gained on the number of equipment to be procured, adequate mitigation measures -as mentioned above- will be implemented, as needed.</p>	Before the procurement of large number of equipment and thereafter implement the electronic waste management plan throughout Project implementation.	UNDP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>SEA AND SH RISKS</p> <p>Prepare an SEA/SH Action Plan and/or include adequate clauses consistent with ESS4 to the contracts of contractors/Implementing Partners. Provisions can be added into the Project Operation Manual (POM) to assess and manage the risks of SEA and SH. This potential risk will be assessed going forward and once more information is gained during the implementation phase as needed.</p>	<p>Prepare and adopt the SEA/SH Action Plan During implementation phase as needed, and thereafter implement the SEA/SH Action Plan throughout Project implementation.</p>	UNDP
4.2	<p>SECURITY MANAGEMENT</p> <p>Prepare, adopt and implement a Security Management Plan (SMP) to manage the security risks of the Project, due to the ongoing conflict and volatile political situation, affecting the safety of system operators and users as set out in the Security Management Plan, guided by the principles of proportionality and GIIP, and by applicable laws, in relation to hiring, rules of conduct, training, equipping, and monitoring of such personnel.</p>	<p>Prepare and adopt the SMP by end of December 2024, and thereafter implemented throughout Project implementation.</p>	UNDP
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Prepare, 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.</p>	<p>The Concept SEP was adopted on July 08, 2024. The SEP was updated during appraisal and disclosed on December 17, 2024, and shall thereafter implement the SEP throughout Project implementation.</p>	UNDP
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>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.</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>Establish the grievance mechanism prior to the Effective Date and thereafter maintain and operate the mechanism throughout Project implementation.</p>	UNDP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
CAPACITY SUPPORT			
CS1	Training to be provided and targeted groups. for PCU staff, stakeholders, Project workers on: <ul style="list-style-type: none"> • stakeholder mapping and engagement • code of Conduct • grievance mechanism electronic waste management		UNDP
CS2	Training for Project workers on occupational health and safety including on emergency prevention and preparedness and response arrangements to emergency situations.		UNDP