

**THE FEDERAL REPUBLIC OF SOMALIA**



**MINISTRY OF LABOR AND SOCIAL AFFAIRS (MOLSA) AND  
GARGAARA FINANCE LIMITED**

**BUILDING OPPORTUNITIES AND OUTCOMES IN SOCIAL  
PROTECTION AND YOUTH EMPLOYMENT IN SOMALIA  
PROJECT (P507443)**

**Additional Financing**

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

**Negotiated Version**

**April 30<sup>th</sup>, 2026**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Federal Republic of Somalia (**the Recipient**) will implement the Building Opportunities and Outcomes in Social Protection and Youth Employment in Somalia Project (**the Project**), with the involvement of the Ministry of Labor and Social Affairs (MoLSA) and Gargaara Finance Limited as set out in (a) Financing Agreement between the Recipient and the International Development Association (**the Bank**); (b) Grant Agreement between the Recipient and the Bank, acting as administrator of the Somalia Multi Partner Fund 2 (SMPF-2) (**SMPF Grant Agreement**); and, (c) Grant Agreement between the Recipient and the International Bank for Reconstruction and Development/International Development Association (**collectively “the Bank”**), acting as administrator of the Global Shield Financing Facility (GSFF) Multi-Donor Trust Fund (**GSFF Grant Agreement**); and (d) Additional Financing Agreement between the Recipient and the Bank (**collectively “the Agreements”**). The International Bank for Reconstruction and Development/International Development Association (**the Bank**) has agreed to provide financing for the Project, as set out in **the Agreements**. This ESCP supersedes previous versions of the ESCP for the Project and shall apply both to the original and the additional financings for the Project referred to above.
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 Agreements**. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the 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, their respective timeframes; 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 Minister of Labour and Social Affairs**. **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</b>			
A	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>a. Adapt the Project Implementation Unit (PIU) established within MOLSA for the Shock Responsive Safety Net for Human Capital Project (SNHCP) (P171346) Project as the PIU for the Project and maintain it with qualified staff and resources to support management of environmental, social, health and safety (E&amp;S) risks and impacts of the Project. The Recipient shall ensure staffing of Social, GBV and environmental specialists for the Project throughout the duration of implementation. The social specialist from SNHCP will be retained under BOOST-YOU as the Safeguards Team Leader under BOOST-YOU.</p> <p>b. Gargaara Finance Limited (Gargaara) will maintain a qualified full-time Environmental and Social specialist to support the management and coordination of environmental, social, health, safety and security risks and impacts of the activities under component 1 (micro-credit lending).</p>	<p>a. Recruit or appoint social, GBV and environmental specialists within 90 days after Project Effective Date. Maintain these positions throughout Project implementation.</p> <p>b. Maintain full-time Environmental and Social Specialist for Gargaara throughout Project implementation.</p>	<p><b>MOLSA</b> <b>Gargaara</b></p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
B	<p><b>CAPACITY BUILDING PLAN/MEASURES</b></p> <p>Prepare and implement the following capacity building measures:</p> <ul style="list-style-type: none"> <li>• training for PIU staff, stakeholders, communities, Project workers on stakeholder mapping and engagement, specific aspects of environmental and social assessment, emergency preparedness and response, community health and safety.</li> <li>• Train Gargaara and private financial institutions (PFIs) on the provisions in the ESCP, Stakeholder Engagement, Labor Management Procedures (LMP), Gender Based Violence (GBV)/Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) and grievance mechanisms (GM), in form and substance satisfactory to the Association. All capacity building interventions will be held in locations and using formats accessible to all, and information disseminated in languages understandable to all.</li> <li>• Train Gargaara and PFIs on Environmental and Social Management System (ESMS), E&amp;S screening procedures and sub-project exclusion list.</li> <li>• Train Third Party Monitoring Agents on: <ul style="list-style-type: none"> <li>○ Stakeholder mapping and engagement</li> <li>○ Obligations under the Social Management Plan</li> <li>○ Obligations for reporting incidents to the client</li> <li>○ Labor management procedures</li> <li>○ Gender Based Violence awareness and accountability training</li> <li>○ Emergency preparedness and response</li> </ul> </li> </ul>	<p>Within 3 months after Project Effective Date and thereafter throughout the project implementation.</p>	<p>PIU Gargaara</p>
<b>MONITORING AND REPORTING</b>			
C	<p><b>REGULAR REPORTING</b></p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (E&amp;S) 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> </ul>	<p>Submit quarterly reports to the Bank throughout Project implementation, commencing 90 days after the Effective Date. Submit each report to the Bank no later than 45 days after the end of each reporting period.</p>	<p>PIU Gargaara</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> <li>Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them.</li> <li>E&amp;S performance of contractors and subcontractors as reported through [monthly] contractors' and supervision firms' reports.</li> <li>Number and status of resolution of incidents and accidents reported under action E below.</li> </ul>		
E	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>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.</p> <p>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.</p>	<p>Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.</p> <p>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.</p>	PIU Gargaara
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</b></p> <ol style="list-style-type: none"> <li>Implement the updated Stakeholder engagement plan (SEP) for the Project, which was prepared and disclosed on August 8, 2025.</li> <li>Update and Implement a Social Management Plan (SMP) which will include, Traditional Ethnic Minorities (TEM) Plan, the Sexual Exploitation Abuse and Sexual Harassment (SEA/SH) Action Plan and Labor Management Procedures (LMP) as annexes.</li> <li>Implement a template Medical Waste Management Plan (MWMP) for the Project.</li> <li>Implement MoLSA Unified Social Registry (USR) Standard Operating Procedures (SOPs)</li> <li>Implement the existing board approved and publicly disclosed Environmental and Social Management System (ESMS)</li> </ol>	<ol style="list-style-type: none"> <li>The updated SEP was redisclosed on 24<sup>th</sup> March 2026 and will be implemented throughout the Project.</li> <li>Update the SMP, including annexes on SEA/SH Action Plan, LMP and a TEM plan 60 days after AF Effective date and thereafter implement throughout Project implementation.</li> <li>Implement the template MWMP throughout project implementation</li> </ol>	PIU Gargaara

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		<p>4. Implement MoLSA's Unified Social Registry (USR) Standard Operating Procedures (SOPs) throughout project implementation.</p> <p>5. Implement the ESMS throughout the project.</p>	
1.2	<p><b>MANAGEMENT OF CONTRACTORS</b></p> <p>Incorporate the relevant aspects of the ESCP, including, inter alia, the Labor Management Procedures, and code of conduct, into the E&amp;S specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply and that they require their subcontractors to comply with the E&amp;S specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Bank.</p>	<p>As part of the preparation of procurement documents and respective contracts. Supervise contractors throughout Project implementation. Copies of relevant contracts provided to the Bank upon request.</p>	PIU
1.3	<p><b>TECHNICAL ASSISTANCE</b></p> <p>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.</p>	<p>Throughout Project implementation.</p>	PIU
1.4	<p><b>EXCLUSIONS</b></p> <p>Implement the screening mechanism and exclusion list (which is a part of Gargaara's ESMS) to verify that sub-projects meet the eligibility criteria and ensure that such sub-projects will not adversely impact on the environment and the people. Conduct screening to exclude those in the exclusion list and keep the screening documentation during the project implementation</p>	<p>Implementation of the screening mechanism and exclusion list which is a part of ESMS before issuance of credit by Private Financial Institutions (PFIs) under Component 1.</p>	Gargaara
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p>Implement the Labor Management Procedures (LMP) for the Project as part of the Social Management Plan (SMP).</p>	<p>Implement the LMP throughout project implementation.</p>	PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2	<p><b>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN</b></p> <p>Require contractors and subcontractors to prepare and implement OHS Management Measures or Plan in accordance with LMP.</p>	Implement the OHS plan throughout project	PIU
2.3	<p><b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b></p> <p>Establish publicize, maintain, and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	Establish worker grievance mechanism prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.	PIU
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>WASTE MANAGEMENT PLAN</b></p> <p>1. Implement a template Medical Waste Management Plan (MWMP), to manage hazardous and non-hazardous wastes, consistent with ESS3.</p> <p>2. Require medical health facilities to prepare specific MWMP before rolling out of vaccination activities under component 2</p>	<p>1. Implement the template MWMP throughout Project implementation.</p> <p>2. Prepare MWMP for each medical health facility prior to rolling out vaccination activities under component and implement the respective MWMP throughout Project implementation.</p>	PIU
3.2	<p><b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b></p> <p>Incorporate resource efficiency and pollution prevention and management measures in the specific MWMPs to be prepared under action 3.1 above.</p>	Same timeframe as for the preparation and implementation of the specific MWMPs.	PIU
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<p><b>COMMUNITY HEALTH AND SAFETY</b></p> <p>Assess and manage specific risks and impacts to the community arising from Project activities, including, inter alia, behavior of Project workers, risks of labor influx, response to emergency situations, and include mitigation measures in the LMP that will be annexed to the SMP.</p>	Same timeframe as for the implementation of the SMP.	PIU
4.2	<p><b>SEA AND SH RISKS</b></p> <p>Implement a SEA/SH Action Plan as part of the SMP to assess and manage the risks of SEA and SH.</p>	Implement the SEA/SH plan project implementation.	PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.3	<p><b>SECURITY MANAGEMENT</b></p> <ol style="list-style-type: none"> <li>Where applicable, enter into a memorandum of understanding (MoU), with the relevant authority at national, state and district level in charge of security setting out the arrangements for the engagement of the security personnel in the Project, including the relevant actions and measures set out in this ESCP, and continued compliance with ESS4 and the World Bank's Good Practice Note on the Use of Security Forces.</li> <li>Adopt and implement standards, protocols, and codes of conduct for the selection and assignment of security personnel to the Project, and screen security personnel to verify that they have not engaged in past unlawful or abusive behavior, including sexual exploitation and abuse (SEA), sexual harassment (SH) or excessive use of force.</li> </ol>	Prior to engagement of Security Personnel	PIU
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
5.1	<b>This standard is not relevant for the Project.</b>		
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
6.1	<b>This standard is not relevant for the Project.</b>		
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
7.1	<p><b>INDIGENOUS PEOPLES [FRAMEWORK] [PLAN] or [PLANS]</b></p> <ol style="list-style-type: none"> <li>Update the SMP to include a dedicated chapter titled Traditional Ethnic Minorities Plan, the chapter will document ways in which the project through design or dedicated consultation approaches will ensure targeting an inclusion of TEM consistent with ESS</li> <li>Implement measures included in the SMP and in the SEP under section 10.1, a stand-alone chapter outlining measures to mitigate adverse impacts on ethnic minorities and vulnerable groups and ensure their meaningful consultation and access to Project benefits and opportunities in a culturally appropriate manner, consistent with ESS7.</li> <li>Engage Traditional Ethnic Minorities and other vulnerable groups present in BOOST-YOU Project areas and organizations representing their interests as per the SEP</li> </ol>	<ol style="list-style-type: none"> <li>Update the SMP 60 days after the AF Effective date and thereafter implement throughout Project implementation</li> <li>Implement throughout Project implementation.</li> <li>Implement throughout project implementation</li> </ol>	PIU
<b>ESS 8: CULTURAL HERITAGE</b>			
8.1	<b>This standard is not relevant for the Project.</b>		
<b>ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).]</b>			
9.1	<p><b>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</b></p> <ol style="list-style-type: none"> <li>Gargaara to implement its existing Environment and Social Management System (ESMS).</li> </ol>	1. Implement throughout the project.	Gargaara

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	2. Ensure that each PFI prepares and implements an ESMS and should be approved by the PFI's senior management and incorporated into the existing PFIs lending approval process.	2. Before disbursement to each PFI.	
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN</b></p> <p>Update the Stakeholder Engagement Plan (SEP) for the original 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 SEP includes a stand-alone chapter on measures to mitigate adverse impacts on Ethnic Minorities and Vulnerable Groups and ensure their meaningful consultation and access to Project benefits.</p>	The updated SEP was redisclosed on 24 <sup>th</sup> March 2026 and will be implemented throughout the Project.	PIU
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Adapt the grievance mechanism established for the SNHCP Project (P171346), publicize, maintain, and operate it as 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>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>	Adapt the grievance mechanism under the SNHCP project to include other reporting channels and thereafter maintain and operate the mechanism throughout Project implementation.	PIU
<b>INDICATORS FOR IMPLEMENTATION READINESS</b>			
<p>The following actions are indicators for implementation readiness:</p> <ol style="list-style-type: none"> <li>i. Adapt the Project Implementation Unit (PIU) established under SNHCP Project (P171346) as the PIU for the Project and recruit required specialists.</li> <li>ii. Update and redisclose a Stakeholder engagement plan (SEP).</li> <li>iii. Update and redisclose the Social Management Plan (SMP).</li> <li>iv. Adapt and update the existing GM to include other reporting channels for the Project.</li> </ol>			