

The Republic of Djibouti

Djibouti Economic Diversification Program-for- Results as Phase 1 of the Djibouti Economic Diversification Program using the Multi-Phase Programmatic Approach (P511188)

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Negotiated Version

24 February 2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Djibouti (the “Recipient”) will implement the Djibouti Economic Diversification Program for Results (P511188) (the Operation) as Phase 1 of the Djibouti Economic Diversification Program using the Multi-Phase Programmatic Approach, which includes an Investment Project Financing (IPF) Component (the “Project”) with the leadership of the Ministry of Economy and Finance in charge of Industry (MEFI), as set out in the Financing Agreement. The International Development Association (IDA) (the “Association”) has agreed to provide financing for the Operation, as set out in the Financing Agreement.
2. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this ESCP, in a manner acceptable to the Association. 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 Financing Agreement.
3. Without limitation to the foregoing, 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 Association. Said E&S documents may be revised from time to time with prior written agreement by the Association. As provided for under the Financing Agreement, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association 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 Association and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association 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
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	ORGANIZATIONAL STRUCTURE Maintain the project management unit (PMU) within the Ministry of Economy and Finance in charge of Industry (MEFI) with qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project including one Social Specialist and recruit or hire one Environmental Specialist.	Hire one environmental specialist within 30 days of the Effective Date and thereafter maintain the PMU and these positions throughout Project implementation.	MEFI /PMU
B	CAPACITY BUILDING MEASURES Prepare and implement the following capacity building measures: Training for PMU staff on: • ESF instruments including the ESMF (LMP) and SEA/SH action plan measures • Stakeholder engagement • Grievance management	Deliver training within the first three (3) months after the Effective Date and periodically thereafter throughout Project implementation.	MEFI/PMU
MONITORING AND REPORTING			
C	REGULAR REPORTING Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (E&S) performance of the Project. The reports shall include: • Status of preparation and implementation of E&S documents required under the ESCP. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan. • Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them. • Number and status of resolution of incidents and accidents reported under action E below.	Submit quarterly reports to the Association throughout Project implementation, commencing three (3) months after the Effective Date. Submit each report to the Association no later than 10 days after the end of each reporting period.	MEFI/PMU
E	INCIDENTS AND ACCIDENTS Notify the Association 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 Association upon request.	Notify the Association no later than 48 hours after learning of the incident or accident. Provide available details upon request.	MEFI/PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Association, 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.	Provide review report and Corrective Action Plan to the Association no later than ten (10) days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Association.	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS Prepare and implement an Environmental and Social Management Framework (ESMF) for the Project, consistent with the relevant ESSs including LMP and a SEA/SH action plan.	Prepare the ESMF no later than thirty (30) days after the Effective Date and thereafter implement the ESMF throughout Project implementation.	MEFI/PMU
1.3	TECHNICAL ASSISTANCE Carry out the consultancies, studies (including feasibility studies,) , capacity building, training, and other technical assistance activities under the Project in accordance with terms of reference acceptable to the Association and consistent with the Environmental and Social Standards (ESSs). Thereafter, prepare and finalize the outputs of such activities in compliance with the cleared terms of reference.	Throughout Project implementation.	MEFI /PMU, with in coordination with beneficiaries of corresponding activities.
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES 1-Prepare and implement the Labor Management Procedures (LMP) as part of the ESMF for direct and contracted workers engaged for the Project including OHS measures, codes of conduct, and a worker GM linked to the Project GM).	The same timeframe as for action 1.1	MEFI/PMU
2.3	GRIEVANCE MECHANISM FOR PROJECT WORKERS Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.	The same timeframe as for action 2.1	MEFI/PMU
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	WASTE MANAGEMENT PLAN 1-Develop and implement the E-waste management measures as part of the ESMF, to manage hazardous and non-hazardous waste, consistent with ESS3 2- Integrate requirements of ESS3, as relevant, into TA activities under Sections 1.1 and 1.3 of this ESCP	Same timeframe as for action 1.1 prior to commencement of any IT procurement. Same timeframe as for action 1.3	MEFI/PMU
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT 1- Incorporate measures to minimize resource use and prevent pollution as part of the ESMF, including energy-efficient procurement and safe disposal of obsolete equipment 2- Integrate requirements of ESS3, as relevant, into TA activities under Sections 1.1 and 1.3 of this ESCP	1-Same timeframe as for action 1.1 2-Same timeframe as for action 1.3	MEFI/PMU
ESS 4: COMMUNITY HEALTH AND SAFETY			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.2	COMMUNITY HEALTH AND SAFETY Integrate requirements of ESS4, as relevant, into TA activities under Sections 1.1 and 1.3 of this ESCP	Same timeframe as for action 1.3	
4.3	SEA AND SH RISKS 1-Prepare, adopt, and implement a SEA/SH Prevention and Response Action Plan (the SEA/SH Action Plan) as part of the ESMF, to assess and manage the risks of SEA/SH. 2- Integrate requirements of ESS4 and the SEA/SH Action Plan, as relevant, into TA activities under Sections 1.3 of this ESCP	1 Same timeframe as for action 1.1 2- Same timeframe as for action 1.3	MEFI/PMU
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	RESETTLEMENT FRAMEWORK, PLAN or PLANS Incorporate relevant requirements of ESS5 in ToRs for any relevant technical assistance under the Project, including, without limitation, screening and scoping for downstream environmental and social risks, alternatives analysis to avoid sensitive areas and minimize displacement, social inclusion strategies with specific attention to women, youth, informal enterprises, and vulnerable households and preliminary resettlement/livelihood implications assessments where relevant	Same timeframe as for action 1.3	
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	BIODIVERSITY RISKS AND IMPACTS 1 Integrate requirements of ESS6, as relevant, into TA activities under Sections 1.1 and 1.3 of this ESCP	Same timeframe as for action 1.3	MEFI/PMU
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
not relevant			

ESS 8: CULTURAL HERITAGE			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS Integrate requirements of ESS8, as relevant, into TA activities under Sections 1.1 and 1.3 of this ESCP	Same timeframe as for action 1.3	MEFI/PMU
ESS 9: FINANCIAL INTERMEDIARIES			
not relevant			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN Prepare 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.	Maintain prepared and disclosed SEP (disclosed on December 2025) and thereafter implement throughout Project implementation.	MEFI/PMU
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 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. 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.	Establish the grievance mechanism no later than three months (3) after the Effective Date and thereafter maintain and operate the mechanism throughout Project implementation.	MEFI/PMU
INDICATORS FOR IMPLEMENTATION READINESS			
The following actions are indicators for implementation readiness: - Section A: PMU established with one environmental and one social specialist for ES risks. - Section 1.1 ESMF and LMP cleared and disclosed - Section 4.3: SEA/SH Action Plan finalized and adopted - Section 10.2: Project GM operational			