Ministry of Finance

Public Expenditures for Administrative Capacity Endurance (PEACE) in Ukraine P178946

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

[For negotiations]

Updated Version

_____, 2026

1. Ukraine (Borrower) is implementing the Public Expenditures for Administrative Capacity Endurance (PEACE) in Ukraine Project (the Project), with the involvement of the Ministry of Finance (MoF), *as set out in the Loan Agreement for the tenth additional financing (AF10) and the legal agreements for the original financing, the first additional financing (AF1), the second additional financing (AF2), the third additional financing (AF3), the fourth additional financing (AF4), the fifth additional financing (AF5), the sixth additional financing (AF6), the seventh additional financing (AF7), the eighth additional financing (AF8), and the ninth additional financing (AF9), respectively (the Agreements)*. The International Bank for Reconstruction and Development and the International Development Association acting in their own name and as administrators of various trust funds including acting as Implementing Agency of the Facilitation of Resources to Invest in Strengthening Ukraine Financial Intermediary Fund ("Bank") has agreed to provide the original financing and the additional financings for the Project listed above, as set out in the respective legal agreements for the original financing and for AF1, AF2, AF3, AF4, AF5, AF6, AF7, AF8, AF9, and AF10. 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 Borrower 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 Agreements.

3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower 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 Agreements, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.

4. As agreed by the Bank and the Borrower, 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 Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower's Representative specified in the Agreements. The Borrower 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 qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project, including environmental and social specialist.	Maintain these positions throughout Project implementation.	MoF
B	**CAPACITY BUILDING PLAN/MEASURES** Prepare and implement the capacity building plan in the event that additional Project activities with environmental and social assessment and management requirements are identified during implementation. Current activities do not warrant a training plan.	During Project implementation in the event that additional Project activities are assessed to warrant such a plan	MoF
MONITORING AND REPORTING			
C	**REGULAR REPORTING** Prepare and submit to the Bank 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 D below.	Submit semestral reports to the Bank throughout Project implementation. Submit each report to the Bank no later than 15 days after the end of each reporting period.	MoF
D	**INCIDENTS AND ACCIDENTS** 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; displacement without due process; 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.	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.	MoF

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 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.	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.	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	**ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS** Assess the roles and sectors for which payments for salaries for Eligible Employees, Eligible First Responders, and Eligible Higher Education Institutions Employees, social assistance payments, PMG Payments (for salaries of health care workers), and pensions payments will be made and identify eligibility criteria (negative and positive lists) which will apply to Bank financing. Only Eligible Employees, Eligible First Responders and Eligible Higher Education Institutions Employees (excluding those who have temporarily joined the military or territorial defense units and military and excluding military schools and schools with enhanced military and physical training) shall be eligible for payment. Describe these eligibility criteria in the Project Operations Manual (POM) and provide monthly summary reports to verify distribution and receipt of salary payments.	Maintain throughout Project implementation eligibility criteria for all payments and activities included in the POM Assessment and reporting to be undertaken on a monthly basis prior to disbursement of funds.	MoF
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	**LABOR MANAGEMENT PROCEDURES** Eligible Employees, Eligible Higher Education Institutions Employees and Eligible First Responders (and all other salaries paid under the Project) will be governed by the terms and conditions of their existing contractual arrangements. Eligible Employees, Eligible Higher Education Institutions Employees and Eligible First Responders receiving salaries financed by the Project are beneficiaries of the Project and will continue under their existing employment conditions. implement the Labor Management Procedures (LMP) requirements for the Project as part of the Project Operational Manual (POM). This includes: a) Implement measures, as applicable, to, inter alia: (i) prevent the use of all forms of forced labor and child labor; (ii) enable workers to benefit from, inter alia, access to grievance and redress mechanisms without fear of retaliation; and effective freedom to form and join workers organizations or alternative mechanisms for expressing their concerns and protect their rights related to labor and working conditions. b) Maintain a code of conduct for workers, which shall include measures to prevent and respond to SEA and SH cases.	Review on a quarterly basis and maintain throughout Project implementation. implement the LMP throughout Project implementation	MoF
2.2	**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN** Implement an OHS measures as part of the POM to assess and manage the OHS risks and impacts of the Project.	Implement the OHS measures throughout Project implementation.	MoF

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.3	**GRIEVANCE MECHANISM FOR PROJECT WORKERS** Operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.	Maintain and operate it throughout Project implementation.	MoF
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
	Not relevant	Not relevant	Not relevant
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	**COMMUNITY HEALTH AND SAFETY** 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, community health and safety, and include mitigation measures in the Environmental and Social section of the POM.	Implement the respective ES measures in the through Project implementation.	MoF
4.2	**SEA AND SH RISKS** Provide information for project beneficiaries and the community on survivor-centric SEA/SH services available in the country	Review on a quarterly basis and maintain throughout project implementation	the MoF
4.3	**EMERGENCY RESPONSE PROCEDURES** ImplementEmergency Preparedness and Response Plan (EPRP) in coordination with the relevant government agencies taking into account the emergency prevention, preparedness and response arrangements put into place with government employees under ESS2. The EPRP should include, as appropriate: (a) identification of and secure access to emergency equipment available on-site and nearby if relevant; (b) notification procedures for designated emergency responders; (c) diverse media channels for notification of the affected community and other stakeholders; (d) a training program for emergency responders including drills at regular intervals; (e) public evacuation procedures; (f) designated coordinator for EPRP implementation; and other relevant follow-up measures. Review the EPRP on a regular basis and confirm that it is still capable of addressing the potential range of emergency events that might arise in connection with the Project.	Review on quarterly basis and maintain throughout Project implementation	the MoF
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
	Not relevant	Not relevant	Not relevant
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
	Not relevant	Not relevant	Not relevant
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	Not relevant	Not relevant	Not relevant
ESS 8: CULTURAL HERITAGE			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Not relevant	Not relevant	Not relevant
ESS 9: FINANCIAL INTERMEDIARIES			
	Not relevant	Not relevant	Not relevant
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	**STAKEHOLDER ENGAGEMENT PLAN** Implement the updated Stakeholder Engagement Plan (SEP) (May 2026) 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.	Implement the updated SEP throughout Project implementation.	MoF
10.2	**PROJECT GRIEVANCE MECHANISM** 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. 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.	Maintain and operate the mechanism throughout Project implementation.	MoF
INDICATORS FOR IMPLEMENTATION READINESS			
The following actions are indicators for implementation readiness: ESCP for AF10 comprises actions that are a continuation of actions under previous additional financings with no specific indicators for readiness.			