

# The Republic of Ghana



## Ministry of Finance

### Ghana Financial Stability Project (P180719)

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

[September 22, 2023]

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Ghana (the Recipient) will implement the Ghana Financial Stability Project (the Project), through the Ministry of Finance (MoF), as set out in the Financing Agreement. The International Development Association (the Association) has agreed to provide financing (P180719) 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 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 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 respective 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, through the Ministry of Finance, and the Association agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the recipient's minister for Finance. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>MONITORING AND REPORTING</b>			
A	<p><b>REGULAR REPORTING</b></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&amp;S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism and preparation and operationalization of an Environmental and Social Management System (ESMS) for the project by the Ministry of Finance.</p>	<p><i>Submit six-monthly reports to the Association throughout Project implementation, commencing after the Effective Date. Submit each report to the Association no later than five (5) working days after the end of each reporting period.</i></p>	MoF
B	<p><b>INCIDENTS AND ACCIDENTS</b></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/or supervising firm, as appropriate.</p> <p>Subsequently, at the Association’s request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p><i>Notify the Association no later than 48 hours after learning of the incident or accident and not later than 24 hours in cases of fatality and SEA/SH.</i></p>	MoF
C	<p><b>CONTRACTORS’ MONTHLY REPORTS</b></p> <p>This is not applicable since the project will not directly engage contractors.</p>		
D	<p><b>NOTIFICATIONS RELATING TO DAAB COMPLIANCE REVIEW OF CONTRACTOR COMPLIANCE WITH SEA/SH PREVENTION AND RESPONSE OBLIGATIONS</b></p> <p>This is not applicable since the project will not directly engage contractors.</p>		
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>1.1 <b>ORGANIZATIONAL STRUCTURE</b></p> <p>The Ministry of Finance, the entity implementing the project is tasked with ESHS management with qualified staff and resources to support management of ESHS risks and impacts of the Project. The MoF, through the investment advisor, will appoint an Environmental and Social Specialist for ESHS management, monitoring and reporting. Additionally, where needed, the specialist will support the upgrade/establishment of beneficiary banks and SDIs' ESMSs to meet World Bank requirements.</p>	<p><i>Appoint one Environmental and Social Specialist prior to the disbursement of project funds for Fund A1 (Fund A1 will provide cash to banks and SDIs in exchange for securities that qualify as capital. As a result, banks and SDIs will build their capital buffers and meet the minimum requirements stipulated by Bank of Ghana (BoG), and thereafter maintain the positions throughout Project implementation.</i></p>	<p>MoF</p>
<p>1.2 <b>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</b></p> <ol style="list-style-type: none"> <li>1. The has prepared a Stakeholder Engagement Plan (SEP) that provides the roadmap for Project communication and active consultations with stakeholders to engage in the design and delivery of the Project.</li> <li>2. Develop and implement an Environmental and Social Management System (ESMS) for the Project, consistent with the relevant ESS9. The MoF has developed the Terms of Reference (ToRs) for the development of an ESMS for the Project. The Association will review and clear the ESMS. Using the Project's ESMS, Banks and SDIs would undergo due diligence from MoF, including on their capacity to meet E&amp;S requirements and sub-loans would be screened for environmental and social risks.</li> </ol>	<ol style="list-style-type: none"> <li>1. The MoF has prepared a draft SEP, which will be finalized and disclosed prior to appraisal and implement the throughout Project implementation thereafter.</li> <li>2. The MoF will develop and disclose the ESMS before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.</li> </ol>	<ol style="list-style-type: none"> <li>1. MoF</li> <li>2. MoF</li> <li>3. MoF, Participating Banks and SDIs</li> </ol>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>3. Ensure that the Banks and SDIs have in place ESMSs consistent with ESS9 to identify, manage and monitor environmental and social risks in their lending. Notwithstanding, considering the urgent need to safeguard the stability of the financial sector by providing immediate support to eligible viable banks and SDIs, banks and SDIs identified with inadequate or unsatisfactory policies and procedures (i.e. ESMS) for managing E&amp;S risks, will still receive support from Fund A1 as long as they will commit to use an ESMS checklist to be provided by the MoF to screen their loans. This will be an interim dispensation while these institutions develop and implement their own ESMSs, to be fully in place within 6 months from the date of approval by the Investment Committee for support from Fund A1.</p>	<p>3. The participating banks and SDIs, with inadequate or unsatisfactory ESMSs, shall adopt the investment screening checklist before disbursement of funds from the Fund A1 and shall subsequently have in place an adequate full ESMS within six months after they are approved to receive support by the Investment Committee, and thereafter maintain and implement the ESMS throughout Project implementation.</p>	
1.4	<p><b>TECHNICAL ASSISTANCE</b> Ensure that the consultancies, studies, capacity building, training, and any other technical assistance activities under the 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.</p>	Semi-annually and throughout Project implementation.	MoF
1.5	<p><b>CONTINGENT [EMERGENCY] [EARLY] RESPONSE FINANCING</b> This is not applicable since the project does not include a CERC.</p>		
1.6	<p><b>ASSOCIATED FACILITIES</b> This is not applicable since the project will not involve an associate facility.</p>		
1.7	<p><b>ACTIVITIES SUBJECT TO RETROACTIVE FINANCING</b> This is not applicable since the project will not include retroactive financing.</p>		
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p>	The MoF will develop and disclose the ESMS that includes labor management procedures (LMP), before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS and the LMP throughout Project implementation.	MoF, Participating Banks and SDIs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>The ESMS of the MoF and beneficiary banks and SDIs will include policies, procedures and measures on Labor Management. This will include policies such as prevention of workplace sexual harassment, code of conduct for employees, equal wages, nondiscrimination and equal opportunity, occupational health and safety, and grievance management system for workers. The ESMS will also include Environmental, Social, Health and Safety (ESHS) procedures including specific conditions to protect the health and safety of workers. The procedure will spell out how workers are contracted and provide details on basic occupational health and safety requirements, such as risk assessments, training, provision of appropriate protective equipment, safe workplace practices, documentation, and emergency prevention and response procedures. Furthermore, the ESMS will include the process for assessing and managing child labor risk and standard operation procedure for preventing, mitigating and remediating such risks when it occurs.</p> <p>Banks and SDIs will require End Borrowers to adopt and implement labor management procedures for their respective sub-projects as required by ESS9.</p>		
2.2	<p><b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b></p> <p>The MoF, Banks and SDIs shall maintain and operate within the Project grievance mechanism for all categories of Project workers to be consistent with ESS2.</p>	Semi-annually and throughout project implementation	MoF, participating Banks and SDIs
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>WASTE MANAGEMENT PLAN</b></p> <p>MoF shall work with banks and SDIs to ensure that their ESMS will include measures to guarantee that End Borrowers manage hazardous and non-hazardous wastes, consistent with ESS3.</p>	The MoF ESMS will require and ensure that participating banks/SDIs and end borrowers put in place measures to manage hazardous and non-hazardous waste, before disbursement of project funds for Fund A1, and thereafter maintain and implement throughout Project implementation.	MoF, participating Banks and SDIs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		<p>For banks and SDIs, with inadequate or unsatisfactory ESMS, adopt an investment screening checklist that identifies risks related to hazardous and non-hazardous waste before disbursement of funds from the Fund A1 and subsequently a full ESMS that ensures that end borrowers put in place measures to manage hazardous and non-hazardous waste be in place six months after they are approved to receive support by the investment committee and thereafter maintain and implement the ESMS throughout Project implementation.</p>	
3.2	<p><b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>                      MoF shall work with banks and SDIs to ensure their ESMS incorporate resource efficiency and pollution prevention and management measures to guarantee that End Borrowers manage resources efficiently and prevent or minimize pollution to the environment.</p>	<p>The MoF ESMS will ensure that participating banks/SDIs and end borrowers put in place adequate measures for resource efficiency and pollution prevention, before disbursement of project funds for Fund A1, and thereafter maintain implement these measures throughout Project implementation.</p>	<p>MoF, participating Banks and SDIs</p>
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<p><b>TRAFFIC AND ROAD SAFETY</b>                      MoF shall work with banks and SDIs will ensure that the End Borrowers’ ESMPs include measures and actions to assess and manage traffic and road safety risks to the extent required by ESS9 and the ESMs.</p>	<p>The MoF ESMS will ensure that banks/SDIs and end borrowers put in place measures for traffic and road safety, before disbursement of project funds for Fund A1, and thereafter maintain and implement these measures throughout Project implementation.</p>	<p>MoF, participating Banks and SDIs</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.2	<p><b>COMMUNITY HEALTH AND SAFETY</b></p> <p>MoF will work with the banks and SDIs to ensure that the End Borrowers’ ESMPs include measures and actions to assess and manage specific risks and impacts to the community arising from project activities, e.g. behavior of workers, risks of labor influx, response to emergency situations, to the extent required by ESS9 and the ESMSs of MoF and banks/SDIs and in a manner acceptable to the Association.</p>	For MoF, develop and disclose the ESMS that ensures that participating banks/SDIs and end borrowers put in place measure for community health and safety, before disbursement of project funds for Fund A1, and thereafter maintain and implement throughout Project implementation.	MoF, participating Banks and SDIs
4.3	<p><b>SEA AND SH RISKS</b></p> <p>The MoF shall include SEA/SH prevention procedures as part of its ESMS and will require benefiting banks and SDIs to include SEA/SH prevention procedures as part of their own ESMSs.</p>	For MoF, develop and disclose the ESMS that ensures that participating banks/SDIs and end borrowers put in place measure for SEA/SH prevention, before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.	MoF, participating Banks and SDIs
4.4	<p><b>SECURITY MANAGEMENT</b></p> <p>This is not applicable since the project will not involve the use of security personnel to safeguard project workers, sites, assets, and activities.</p>		
4.5	<p><b>INVOLVEMENT OF THE MILITARY</b></p> <p>This is not applicable since the project will not involve the use of military.</p>		
4.6	<p><b>DAM SAFETY</b></p> <p>This is not applicable since the project will not support the development of Dams.</p>		
4.7	<p><b>DAM SAFETY (FOR ANNEX A, PARA. 5. ESS4)</b></p> <p>This is not applicable since the project will not support the development of Dams.</p>		
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
5.1	<p><b>RESETTLEMENT POLICY FRAMEWORK</b></p> <p>This is not applicable since the project will not prepare a Resettlement Policy Framework</p>		



MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
5.2	<p><b>RESETTLEMENT PLANS</b></p> <p>The MoF, Banks and SDIs will avoid involuntary resettlement or economic displacement by screening the relevant subprojects for these impacts in accordance with the ESMSs and excluding ineligible investments to be listed in the ESMSs. Where avoidance of such impacts is not possible, the MoF will work with Banks/SDIs to ensure that the End Borrowers prepare, adopt, and implement Resettlement Action Plans (RAPs) to the extent required by ESS5 and the ESMSs of MoF and Banks/SDIs in a manner acceptable to the Association.</p>	For MoF, develop and disclose the ESMS that ensures that participating banks/SDIs and end borrowers put in place measure for involuntary resettlement or economic displacement prevention and management, before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.	MoF, participating Banks and SDIs
5.3	<p><b>GRIEVANCE MECHANISM</b></p> <p>The grievance mechanism (GM) to address resettlement related complaints is included in the SEP.</p>		
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
6.1	<p><b>BIODIVERSITY RISKS AND IMPACTS</b></p> <p>The MoF, Banks and SDIs will avoid adverse impacts on biodiversity and habitats by screening the relevant subprojects for these impacts in accordance with the ESMSs and excluding ineligible investments to be listed in the ESMSs. Where avoidance of such impacts is not possible, the MoF will work with Banks/SDIs to ensure that the End Borrowers prepare, adopt, and implement measures and actions for biodiversity impact mitigation as required in the ESMS and consistent with ESS6. End borrowers may be required to prepare Biodiversity Management Plans to the extent required by ESS9 and consistent with ESS6 and the ESMSs of banks/SDIs in a manner acceptable to the Association.</p>	The MoF ESMS will ensure that participating banks/SDIs and end borrowers put in place measures for biodiversity management, before disbursement of project funds for Fund A1, and thereafter maintain and implement these measures throughout Project implementation.	MoF, participating Banks and SDIs
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
7.1	<p><b>INDIGENOUS PEOPLES PLANNING FRAMEWORK</b></p> <p>Not relevant since there are no known indigenous people in Ghana and project does not seek to undertake activities in any location that is likely to impact on any group of people with distinct characterization akin to the criteria for indigenous or traditionally underserved communities as spelled out in the ESS7.</p>		
7.2	<p><b>INDIGENOUS PEOPLES PLAN</b></p> <p>Not relevant since there are no known indigenous people in Ghana and project does not seek to undertake activities in any location that is likely to impact on any group of people with distinct characterization akin to the criteria for indigenous or traditionally underserved communities as spelled out in the ESS7.</p>		
7.3	<p><b>GRIEVANCE MECHANISM</b></p>		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Not relevant since there are no known indigenous people in Ghana and project does not seek to undertake activities in any location that is likely to impact on any group of people with distinct characterization akin to the criteria for indigenous or traditionally underserved communities as spelled out in the ESS7.		
<b>ESS 8: CULTURAL HERITAGE</b>			
8.1	<p><b>CULTURAL HERITAGE RISKS AND IMPACTS</b></p> <p>The MoF, Banks and SDIs will avoid adverse impacts on cultural heritage by screening the relevant subprojects for these impacts in accordance with the ESMSs and excluding ineligible investments to be listed in the ESMSs. Where avoidance of such impacts is not possible, the MoF will work with banks/SDIs to ensure that the End Borrowers' ESMPs include a chance find procedure to the extent required by ESS9 and the ESMSs of MoF, banks and SDIs in a manner acceptable to the Association.</p>	For MoF, develop and disclose the ESMS that ensures that participating banks/SDIs and end borrowers put in place measure for cultural heritage management, before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.	MoF, participating Banks and SDIs
8.2	<p><b>CHANCE FINDS</b></p> <p>The MoF will work with banks/SDIs to ensure that the End Borrowers' ESMPs include a chance find procedure to the extent required by ESS9 and the ESMSs of MoF, banks and SDIs in a manner acceptable to the Association.</p>		
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
9.1	<p><b>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</b></p> <p>Develop, maintain, and implement an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of banks and SDIs subprojects that receive support from the Project. The ESMS shall include, inter alia, the following elements:</p> <ul style="list-style-type: none"> <li>• Identification of the banks and SDIs that may receive support from the Project.</li> <li>• An environmental and social policy endorsed by MoF, banks and SDIs senior management.</li> <li>• Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of banks and SDIs subprojects, in accordance with ESS9, including, inter alia, stakeholder engagement and disclosure requirements applicable to banks and SDIs subprojects.</li> <li>• Exclusion list with the activities banks and SDIs subprojects that are not eligible for financing,</li> <li>• An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities [specify details, as needed, or cross-references to other relevant ESCP actions, e.g., as set out in actions 9.3 and 9.4 below.</li> </ul>	The MoF, will develop and disclose the ESMS before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.	MoF, participating Banks and SDIs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> <li>Monitoring and reporting of environmental and performance of banks and SDI subprojects and the effectiveness of the ESMS.</li> <li>Incidents and accidents notification and subsequent reporting requirements</li> <li>An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner.</li> </ul> <p>Disclose a summary of each of the elements of the ESMS through the relevant website.</p>		
9.2	<p><b>EXCLUSIONS</b></p> <p>Screen all proposed activities of end borrowers against the exclusion list set out in the ESMS of the banks and SDIs.</p>	The MoF, will develop and disclose the ESMS that will include an exclusion list.	MoF, participating Banks and SDIs
9.3	<p><b>FI ORGANIZATIONAL CAPACITY</b></p> <p>Establish and maintain an organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities.</p>	Develop and disclose the ESMS, before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.	MoF, participating Banks and SDIs
9.4	<p><b>SENIOR MANAGEMENT REPRESENTATIVE</b></p> <p>Designate a senior management representative to have overall accountability for environmental and social performance of MoF, banks and SDIs subprojects that receive support from the Project.</p>	The MoF, develop and disclose the ESMS that include a designated senior management representative who will be accountable for Project environmental and social performance, before disbursement of project funds for Fund A1, and thereafter maintain and implement the ESMS throughout Project implementation.	MoF, participating Banks and SDIs
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</b></p> <p>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>	Disclose, and adopt the SEP prior to appraisal, and thereafter update as needed, and implement the SEP throughout Project implementation.	MoF

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></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><i>The Grievance Mechanism has been developed as part of the SEP and will be fully operational 90 days after effective date, and thereafter maintained throughout Project implementation.</i></p>	<p>MoF, participating Banks and SDIs</p>
<b>CAPACITY SUPPORT</b>			
CS1	<p>The MoF will provide training to its staff and staff of the banks and SDIs on (not restricted to)</p> <ul style="list-style-type: none"> <li>• Environmental and social screening</li> <li>• ESMS</li> <li>• Stakeholder mapping and engagement</li> <li>• Implementation of the GM</li> <li>• GBV/SEA risk management</li> <li>• Emergency preparedness and response</li> <li>• Community health and safety.</li> </ul>	<p>Semi-annually and throughout project implementation.</p>	<p>MoF, participating Banks and SDIs</p>
CS2	<p>The MoF, banks and SDIs will train their staff on occupational health and safety.</p>	<p>Semi-annually and throughout project implementation.</p>	<p>MoF, participating Banks and SDIs</p>