

TRACE PADEO

« Tunisian Rural and Agricultural Chain of Employment » - PADEO



**Programmatic approach to supporting economic recovery and
sustainable agricultural development**

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

August 2025

microfinanza



The Republic of Tunisia
SUPPORT FUND FOR JOB CREATION IN THE AGRICULTURAL AND AGRI-FOOD
SECTOR IN RURAL SPACE

(P509237)

TRACE – PADEO

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The International Bank for Reconstruction and Development (hereinafter the Bank) has agreed to provide financing through a Grant Agreement to Microfinanza for the implementation of the “Support to job creation in the agri-food sector and rural space (hereinafter the **Project**).
2. Microfinanza, as implementing agency of the Project, will implement material measures and actions so that the Project is implemented in accordance with the World Bank Environmental and Social Standards (**ESSs**). This Environmental and Social Commitment Plan (**ESCP**) sets out a summary of the material measures and actions. This ESCP supersedes previous versions of the ESCP for the Project and applies to both the original financing and the additional financing for Project referred to above.
3. Where the ESCP refers to specific plans or other documents, whether they have already been prepared or are to be developed, the ESCP requires compliance with all provisions of such plans or other documents. In particular, the ESCP requires compliance with the provisions set out in the Project’s Stakeholder Engagement Plan (SEP), the Environmental and Social Management Framework (ESMF) and Labor Management Procedures (LMP) developed by Microfinanza, and the Environmental and Social Management Plans (ESMPs), to be developed by the beneficiaries of the Matching Grant Program which must be prepared prior to the commencement of any works.
4. The table below summarizes the material measures and actions that are required, as well as their timing. Microfinanza is responsible for compliance with all requirements of the ESCP.
5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the Bank by the Recipient as required by the ESCP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.
6. As agreed by the Bank and Microfinanza, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, Microfinanza will propose changes for approval by the Bank and update the ESCP accordingly. The agreement on changes to the ESCP will be documented through the exchange of letters signed between the Bank and Microfinanza. Microfinanza will promptly disclose the updated ESCP.
7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the Recipient shall provide additional funds, if needed, to implement the measures required to address such risks and impacts.

<i>Summary of the Material Measures and Actions to Mitigate the Project's Potential Environmental and Social Risks and Impacts</i>		<i>Timeframe</i>	<i>RESPONSIBLE ENTITY/AUTHORITY</i>
	REGULAR REPORTING: Prepare and submit to the Bank 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 documents required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).	<i>E&S Reports throughout Project implementation as part of Project progress reports. E&S Reports are provided jointly with the Activity reports on a semester basis.</i>	Microfinanza
	INCIDENTS AND ACCIDENTS NOTIFICATION: Promptly notify the Bank of any incident or accident related to the Project or associated sub-projects, which have, or are likely to have, a significant adverse effect on the environment, the affected communities, the public or workers. Provide sufficient details regarding 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 supervising entity, as appropriate. Subsequently, as per the Bank's request, prepare a report on the incident or accident and propose any measures (SCAP) to prevent its recurrence.	<i>Promptly after taking notice of the incident or accident and at the latest 48 hours after such events. Provide the Bank with a summary report that includes a description and root cause analysis (RCA) of the incident or accident and the mitigation or prevention measures (SCAP) no later than 20 days after such an incident or accident occurs.</i>	Microfinanza
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	LIST OF ACTIVITIES THAT ARE NOT ELIGIBLE FOR FINANCING: The following activities will not be eligible for project financing: a) Activities that have a significant, unprecedented and irreversible impact on the health and safety of communities (that involve change of land use, that can provoke floods, or that can expose communities to important pathogens). b) Activities that have significant, unprecedented and irreversible impacts on natural habitats, critical habitats and species that are in critical danger of extinction as per the red list of the IUCN. c) Activities that score "substantial" and above in E&S risk rating as per the screening sheet of the ESMF d) Activities that require land acquisition e) All activities indicated in the exclusion list of the FIDS	<i>During the identification and supporting process provided to potential beneficiaries of the matching grant</i>	Microfinanza

Summary of the Material Measures and Actions to Mitigate the Project's Potential Environmental and Social Risks and Impacts		Timeframe	RESPONSIBLE ENTITY/AUTHORITY
1.2	ORGANIZATIONAL STRUCTURE: Establish an organizational structure with qualified staff to support management of E&S risks, appointment of one E&S focal point at the field staff level and recruitment of an E&S consultant (shared with the other TRACE-PADEO operators).	<i>An organizational structure including an E&S focal point will be established within 30 days after Project effectiveness. The organizational structure, including the E&S focal point and E&S consultant, shall be maintained throughout Project implementation</i>	Microfinanza
1.3	ENVIRONMENTAL AND SOCIAL ASSESSMENT: The overall assessment has been improved on following: (i) Strengthening E&S relevance criteria for the selection process; (ii) Updated FIDS based on the E&S team proposal; (iii) Drafting the code of conduct for project beneficiaries including a commitment on SEA/SH; (iv) Drafting the ToRs for the ESMP and for FIES requirements, (v) updating the ESMF of the project, as well as the POM.	<i>The updated ESMF and POM will be implemented throughout the Project implementation</i> <i>The updated ESMF shall be applied to both the parent project as well as the Additional Financing.</i>	Microfinanza
1.4	MANAGEMENT TOOLS AND INSTRUMENTS: Microfinanza will screen the environmental and social impacts of the proposed sub-projects in accordance with the updated Environmental and Social Management Framework (ESMF) prepared for the Project. Microfinanza will ensure that matching grant beneficiaries prepare and adopt <i>Environmental and Social Impact assessments (ESIAs)</i> or <i>Environmental and Social Management Plans (ESMPs)</i> or <i>Pesticide Management Plans (PMPs)</i> as appropriate to each sub-project. These documents shall include measures on labor conditions, SEA/H, occupational health and safety, community health and safety, information disclosure and grievance mechanism, in a manner acceptable to the Bank. All environmental and social (E&S) components are clearly presented to potential beneficiaries, and recommendations are included in the tools used for finalizing investment dossiers, as well as and in the contract signed between beneficiary and implementing operator.	<i>Before the selection of the matching grant beneficiaries The instruments (ESIAs, ESMPs, PMPs) must be reviewed and cleared by the Bank before the commencement of works at any of the sub-projects' sites. Once approved, the ESIAs, ESMPs, PMPs are carried out throughout Project implementation</i>	Microfinanza
1.5	MANAGEMENT OF CONTRACTORS AND SERVICE PROVIDERS: Microfinanza will ensure that matching grant beneficiaries develop and implement measures for managing contractors, sub-contractors and service providers that comply with the ESSs at the level of each sub-project. Microfinanza will review bidding documents and contractual agreements between the matching grant beneficiaries and contractors and service providers to include provisions on occupational health and safety, Codes of	<i>Prior to the preparation of procurement documents.</i> <i>Supervise contractors throughout Project implementation.</i>	Microfinanza

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	Conduct, and other E&S risks mitigation measures as described in the ESMF, as needed. Microfinanza will supervise the implementation of the ESMPs of sub-projects and monitor compliance with E&S risks mitigation measures during implementation.		
1.6	PERMITS, CONSENTS AND AUTHORIZATIONS: Microfinanza will ensure that matching grant beneficiaries comply with, or take necessary actions to ensure compliance, with the conditions established in these permits, consents, and authorizations from national authorities throughout Project implementation.	<i>Before any commencement of works or initiation of activities when required permits, consents and/or authorizations and throughout project implementation</i>	Microfinanza
1.7	CAPACITY BUILDING PLAN: Support for the E&S screening of subprojects entailing (i) identification tools and methodology for E&S screening; (ii) support for the formulation of the request for financing the subproject based on FIDS Screening and identification of E&S mitigation measures (June 2025); Accompanying beneficiaries and supporting them for monitoring E&S risks (June 2025-december 2026)	<i>Two months after project effectiveness</i>	Microfinanza
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES: Microfinanza will have in place and maintain appropriate labor management procedures (LMP) which is prepared and disclosed prior to project appraisal, including procedures relating to working conditions and terms of employment, nondiscrimination and equal opportunity, the prohibition of sexual harassment and sexual exploitation and abuse, grievance mechanisms and occupational health and safety. The document will be updated for the restructured project according to needs (if any). A code of conduct is shared and signed by all project workers and grant beneficiaries	<i>The LMP will be disclosed prior to appraisal and implemented throughout the Project implementation</i>	Microfinanza
2.2	GRIEVANCE MECHANISM FOR PROJECT WORKERS: Microfinanza will operate and maintain a grievance mechanism for Project staff and beneficiaries as described in the LMP and consistent with ESS2 and ESS10.	Existing grievance mechanism shall be maintained throughout Project implementation	Microfinanza

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2.3	OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES: Microfinanza will ensure that matching grant beneficiaries are aware of and understand the Occupational Health and Safety (OHS) measures for all sub-projects. Such measures will include relevant project workers with training based on their specific needs under the matching grant component	Prior to the commencement of works at any of the sites.	Microfinanza
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT: Microfinanza will ensure that matching grant beneficiaries prepare, adopt, and implement resource efficiency and pollution prevention and management measures covered under the ESMPs/PMPs and to be prepared under 1.4 above.	Prior to the commencement of works The plans must be reviewed and approved by the E&S consultant in charge within the sub-project before commencement of works at any of the sites. The plans will be implemented throughout Project implementation	Microfinanza
3.2	MANAGEMENT OF WASTE AND HAZARDOUS MATERIALS: Microfinanza will ensure that matching grant beneficiaries develop, adopt and implement measures to manage waste and hazardous materials covered under the ESMPs/PMPs to be prepared under 1.4 above.	Prior to the commencement of works The plans must be reviewed and cleared by the Bank before commencement of works at any of the sites. The plans will be implemented throughout Project implementation	Microfinanza
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	COMMUNITY HEALTH AND SAFETY: Microfinanza will ensure that matching grant beneficiaries develop, adopt and implement measures and actions to manage risks related to Community Health and Safety including traffic and road safety risks, labor influx risks, gender-based violence and sexual exploitation and abuse risks/Sexual Harassment as part of the sub-project ESMPs, ESAP or ESIA.	Prior to the commencement of works The ESMP, ESAP and ESIA must be reviewed and approved by the E&S -consultant in charge within the project regardless the legal approval of ESIA	Microfinanza
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
ESS 5.1: Not Relevant to the project			
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			

<i>Summary of the Material Measures and Actions to Mitigate the Project's Potential Environmental and Social Risks and Impacts</i>		<i>Timeframe</i>	<i>RESPONSIBLE ENTITY/AUTHORITY</i>
6.1	BIODIVERSITY RISKS AND IMPACTS: Microfinanza will ensure that matching grant beneficiaries develop, adopt, and implement measures and actions to manage risks related to Biodiversity conservation including through implementation of remedies measures and actions for biodiversity protection to be covered under ESMPs/PMPs and to be prepared under 1.4 above	<i>Prior to the commencement of works</i> <i>The ESMPs/PMPs must be reviewed and cleared by E&S project team before commencement of works at any of the sites and will be adopted and implemented throughout Project implementation</i>	Microfinanza
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	Not Relevant to the project		
ESS 8: CULTURAL HERITAGE			
8.1	Not Relevant to the project		
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	Not relevant to the project		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	SEP IMPLEMENTATION: Microfinanza will update, disclose and implement a Stakeholder Engagement Plan (SEP) and will request that matching grant beneficiaries engage stakeholders proportionately to the risk level of sub-projects.	<i>The SEP is updated and disclosed prior to project appraisal and implemented throughout Project implementation</i>	Microfinanza
10.2	PROJECT GRIEVANCE MECHANISM: Adopt, maintain, and operate a grievance mechanism, as described in the SEP. Matching-grants beneficiaries disseminate information and engage stakeholders on existing grievance mechanism at Project level.	<i>Project Grievance mechanism adopted and implemented one month before project effectiveness and maintained throughout Project implementation</i>	Microfinanza

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