



REPUBLIC OF KENYA

**KENYA JOBS AND ECONOMIC TRANSFORMATION (KJET) PROJECT
(P179381)**

[Appraisal version/Negotiations version]

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

October 2023

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Kenya (the Recipient) is planning to implement the Kenya Jobs and Economic Transformation Project (KJET) with the involvement of the Ministry of Co-operatives and Micro, Small and Medium Enterprises (MCMSME), Micro and Small Enterprise Authority (MSEA), Kenya Investment Authority (KenInvest) and the Ministry of Investments, Trade, and Industry (MITI,) as set out in the Financing Agreement. The Micro and Small Enterprise Authority (MSEA) under the newly created Ministry of Cooperatives, and Micro, Small, and Medium Enterprises (MCMSME). State Department of Investment Promotion (SDIP) under MITI. The International Development Association hereinafter the (Association) has agreed to provide financing for the Project, as set out in the referred agreement.
2. The Recipient shall ensure that the Activities are 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 Financing 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 ESS, and in form and substance, and in a manner acceptable to the World Bank.
4. As agreed by the Association and the Recipient, this ESCP will be revised from time to time if necessary, during implementation of the Activities, to reflect adaptive management of changes and unforeseen circumstances related to the Activities or in response to assessment of performance of activities. In such circumstances, the Recipient through Ministry of Co-operatives and Micro, Small and Medium Enterprises MCMSME) and the Ministry of Investments, Trade, and Industry (MITI,) as set out in the Financing Agreement. The Micro and Small Enterprise Authority (MSEA) under the newly created Ministry of Cooperatives, and Micro, Small, and Medium Enterprises (MCMSME). State Department of Investment Promotion (SDIP) under MITI. and the Association agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and Ministry of Co-operatives and Micro, Small and Medium Enterprises (MCMSME) and the Ministry of Investments, Trade, and Industry (MITI,) as set out in the Financing Agreement. The Micro and Small Enterprise Authority (MSEA) under the newly created Ministry of Cooperatives, and Micro, Small, and Medium Enterprises (MCMSME). State Department of Investment Promotion (SDIP) under MITI. The Recipient shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY	
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING:</p> <p>1. 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, stakeholder engagement activities, and log and status of any complaints received.</p>	<p>1. Submit quarterly and annual reports to the Association throughout Project implementation, commencing after the Effective Date.</p> <p>2. Submit each report to the Association no later than fourteen (14) days after the end of each reporting period.</p>	<p>MCMSME MITI MSEA KDC KenInvest</p>
B	<p>INCIDENTS AND ACCIDENTS:</p> <p>1. 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 injuries, forced or child labour. 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.</p> <p>2. 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>1. Notify the Association not later than 48 hours after learning of the incident or accident.</p> <p>2. Provide subsequent reports to the Association within a timeframe acceptable to the Association.</p>	<p>MCMSME MITI MSME Authority KDC KenInvest</p>
C	<p>CONTRACTORS’ MONTHLY REPORTS</p> <p>1. Contractors and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Association upon request.</p>	<p>1. Submit the monthly reports to the Association upon request.</p>	<p>MCMSME MITI</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
D	<p>NOTIFICATIONS RELATING TO DAAB COMPLIANCE REVIEW OF CONTRACTOR COMPLIANCE WITH SEA/SH PREVENTION AND RESPONSE OBLIGATIONS</p> <p>Notify the World Bank of any referral submitted to the Dispute Avoidance and Adjudication Board (DAAB) to initiate a process of compliance review in relation to a contractor’s obligations to prevent and respond to sexual exploitation and abuse (SEA), and/or sexual harassment (SH) specified in the respective works contract with such contractor; and, in the event of any such referral, notify the World Bank of: (i) the DAAB’s decision on such referral; (ii) the contractor’s Notice of Dissatisfaction, if any, with such DAAB decision; (iii) any notification received on the commencement of an emergency arbitration proceeding or full arbitration proceeding in relation to the DAAB’s decision; and (iv) the resulting emergency arbitration order and/or full arbitration order, if any.</p>	<p>No later than 7 days after the issuance or receipt, as applicable, of the relevant document (i.e., referral to the DAAB, issuance of DAAB decision, Notice of Dissatisfaction, notice of commencement of emergency/full arbitration, emergency/full arbitration order, as applicable).</p>	<p>MCMSME MITI</p>
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain Project Implementing Units (PIUs) with qualified, experienced, full-time staff and resources to support the management of ESHS risks and impacts of the Project including 1 Environmental Health and Safety Specialist, 1 Social development specialist, and 1 communication specialist each with more than ten (10) years of experience in carrying out environmental and social assessments</p>	<p>Ensure that 1 environmental, health and safety specialist, 1 social development specialist and 1 communication specialist are hired or deployed prior to the Effective Date. Thereafter, all are maintained throughout Project implementation.</p>	<p>MCMSME MITI MSEA KDC KenInvest</p>
1.2	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <ol style="list-style-type: none"> 1. Prepare, consult upon, adopt, publicly disclose and thereafter implement the Environmental and Social Management Framework (ESMF) for the Project, consistent with the relevant ESSs. 2. Screen each sub-project and carry out corresponding environmental and social impact assessment for the identified sub-projects as per the requirements of the ESMF during project implementation, incorporate 	<ol style="list-style-type: none"> 1. Prepare, consult upon, adopt and publicly disclose the ESMF prior to Effective Date and thereafter implement the ESMF throughout Project implementation. 	<p>MCMSME MITI MSEA KDC KenInvest</p>

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<p>the Environment Social Impact Assessment (ESIA)/ESMP recommendations in the bidding and contract documents during implementation and duly comply with any applicable requirements in the ESMF during project implementation such as carrying out environmental and social risks assessments, preparing, consulting upon, adopting, publicly disclosing and implementing the respective ESIA/ESMPs before commencing works in a manner acceptable to the Association.</p> <p>3. Carry out annual environmental and social implementation audits for the sub-projects. These shall be reviewed and cleared by the Association.</p>	<p>2. Prior to disbursement of funds for subprojects and throughout Project implementation, with the adoption of ESIA/ESMPs to be completed before the start of the corresponding sub-project activities.</p> <p>3. Not later than December 15 in each year of the project implementation.</p>	
<p>1.3</p> <p>MANAGEMENT OF CONTRACTORS</p> <p>Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures, and the code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter, ensure that the contractors and supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts.</p>	<p>Prior to the preparation of procurement documents for subprojects.</p> <p>Supervise contractors throughout Project implementation</p>	<p>MCMSME MITI MSEA KDC KenInvest</p>
<p>1.4</p> <p>TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, ESIA 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, which are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	<p>Throughout Project implementation while agencies are carrying out Technical Assistance.</p>	<p>MCMSME MITI MSEA KDC KenInvest</p>
<p>1.5</p> <p>EXCLUSION LIST</p> <p>The following subprojects are excluded from KJET financing:</p> <ol style="list-style-type: none"> 1. Sub-projects categorized as High risk (per WB ESF and ESSs definition); 	<p>Throughout Project implementation</p>	<p>MCMSME MITI MSEA KDC</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ol style="list-style-type: none"> 2. Any technical assistance (TA) activities that are classified as Type 1 as per WB Operations Environmental and Social Review Committee (OESRC) Advisory Note; 3. Activities that may cause long term, permanent and/or irreversible impacts (e.g., loss of major natural habitats including habitats of wildlife and fisheries); 4. Activities that may cause any significant loss of biodiversity; 5. Activities that have a high probability of causing serious adverse effects to human health and/or the environment; 6. Activities that may have significant adverse social impacts and/ or may give rise to significant social conflict; 7. Activities that may involve significant land acquisition, forced eviction and involuntary physical displacement; 8. Activities that would disproportionately affect the historically underserved and vulnerable groups; 9. Activities that may cause damage to cultural heritage; 10. Activities that contravene Kenya’s obligations under its international agreements; 11. Activities that may involve generating large volume of e-waste causing significant irreversible adverse impacts to human health and natural resources; and 12. Activities that limit access for women and PWDs to project benefits (e.g., public offices with no ramps to, inaccessible websites, etc.). 		KenInvest
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Prepare, consult upon, adopt, publicly disclose and thereafter implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers' relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for</p>	Prepare, consult upon, adopt and publicly disclose the LMP prior to disbursement of funds and thereafter implement the LMP throughout Project implementation.	MCMSME MITI MSEA KDC KenInvest

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.		
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish, publicize and operate a project labour grievance mechanism, including assignment of focal points, as described in the LMP and consistent with ESS2.</p>	Establish prior to Effective Date and publicize and operate and throughout project implementation.	MCMSME MITI MSEA KDC KenInvest
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>Incorporate resource efficiency and pollution prevention and management measures in each subproject ESIA/or ESMP to be prepared under action 1.2 above.</p>	Prior to commencement of subprojects and thereafter implement the ESIA's throughout the project implementation.	MCMSME MITI
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>TRAFFIC AND ROAD SAFETY</p> <p>Incorporate measures to manage traffic and road safety risks as required in the ESIA/or ESMP to be prepared under action 1.2 above.</p>	Prior to commencement of subprojects and thereafter implement the ESIA's throughout the project implementation.	MCMSME MITI MSEA KDC KenInvest
4.2	<p>COMMUNITY HEALTH AND SAFETY</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 mitigation measures in the ESIA/or ESMPs to be prepared in accordance with the ESMF.</p>	Prior to commencement of subprojects and thereafter implement the ESIA's throughout the project implementation.	MCMSME MITI MSEA KDC KenInvest
4.3	SEA AND SH RISKS		MCMSME

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Adopt and implement a SEA/SH Action Plan as part of the ESMP, to assess and manage the risks of SEA and SH.	Adopt the SEA/SH Action Plan before subproject commencement and thereafter implement the SEA/SH Action Plan throughout corresponding subproject implementation.	MITI MSEA KDC KenInvest
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	BIODIVERSITY RISKS AND IMPACTS Relevant aspects of this standard shall be considered, as needed, under action 1.2 above. The Recipient shall screen sub-projects, prepare, consult on, adopt, publicly disclose, environmental and social impact assessments (ESIAs)/or environmental and social management plans (ESMPs) with relevant mitigation measures for sub-projects infrastructure that are likely to have impacts on biodiversity and thereafter implement such ESIAs and ESMPs.	Adoption of ESIAs and ESMPs to be completed before the start of the corresponding sub-project activities. The ESIA/ESMP to be implemented throughout corresponding subproject implementation period.	MCMSME MITI KDC KenInvest
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	Incorporate findings of the Social Assessment under World Bank financed project Supporting Access to Finance and Enterprise Recovery (P175017 SAFER) into the KJET's Environmental and Social Management Framework.	Prior to Project Appraisal.	MCMSME MITI
ESS 8: CULTURAL HERITAGE			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS Adopt and implement a Cultural Heritage Management Plan (CHMP) as part of the ESMP, in accordance with the guidelines of the ESIA prepared for the Subproject, and consistent with ESS8.	Same timeframe as that for adoption of ESIAs/ESMPs.	MCMSME MITI MSEA KDC KenInvest
8.2	CHANCE FINDS Relevant aspects of this standard shall be considered, as needed, in the ESMF as outlined under action 1.2 above.	Prior to commencement of subprojects and thereafter implement	MCMSME MITI

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		the ESIA's throughout the project implementation.	MSEA KDC KenInvest
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</p> <p>1. The Kenya Development Corporation (KDC) shall update, maintain and implement the existing DRIVE Project ESMS consistent with ESS9 and in a manner acceptable to the Association. The ESMS will have an exclusion list that precludes the inclusion of activities that involve the conversion of natural habitats /or ecologically sensitive areas.</p> <p>2. As applicable, ensure that Micro Small and Medium Enterprises (MSMEs) prepare sub-project-specific environmental and social management plans (ESMPs) or Summary Project Reports (SPRs) in accordance with the relevant national laws, the approved ESMS, and in a manner acceptable to the Association.</p>	<p>1. Prior to disbursement of funds by KDC for subprojects and maintained throughout Project Implementation.</p> <p>2. Prior to disbursement of GIF funds to investees.</p>	Kenya Development Corporation (KDC)
9.2	<p>EXCLUSION LIST</p> <p>Screen all proposed FI subprojects against the exclusion list set out in the ESMF.</p>	Throughout Project implementation	KDC
9.3	<p>FI ORGANIZATIONAL CAPACITY</p> <p>KDC should recruit and maintain one (1) environmental specialist with OHS experience, and one (1) social safeguards specialist with experience in sexual exploitation and abuse, and sexual harassment matters.</p>	Prior to disbursement of funds to KDC for the Green Innovation Fund (GIF) and maintained throughout Project Implementation.	KDC
9.4	<p>SENIOR MANAGEMENT REPRESENTATIVE</p>		KDC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	In accordance with ESS9, KDC shall designate a senior management representative to have overall accountability for the environmental and social performance of the subprojects.	Prior to disbursement of funds by KDC for subprojects and maintained throughout Project Implementation.	
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Prepare, adopt and publicly disclose a Stakeholder Engagement Plan (SEP) consistent with ESS10, and thereafter implement the SEP, all in a manner acceptable to the Association.</p>	Prepare, adopt and publicly disclose prior to appraisal and thereafter implement the SEP throughout project implementation	<p>MCMSME</p> <p>MITI</p> <p>MSEA</p> <p>KDC</p> <p>KenInvest</p>
10.2	<p>STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</p> <p>Implement the SEP consistent with ESS10, including the use of different, culturally appropriate communication approaches to ensure communication with the most vulnerable groups, IP/SSAHUTLC, including illiterate, and people with disabilities.</p>	At project Appraisal and throughout Project implementation	<p>MCMSME</p> <p>MITI</p>
10.3	<p>PROJECT GRIEVANCE MECHANISM</p> <p>1. Establish, publicize, maintain, and operate the grievance mechanism, to receive and facilitate the 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>2. 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>	1. Establish the grievance mechanism prior to Effective Date, and thereafter publicize, maintain and operate the mechanism throughout Project implementation.	<p>MCMSME</p> <p>MITI</p> <p>MSEA</p> <p>KDC</p> <p>KenInvest</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
CAPACITY SUPPORT			
CS1	Training may be required for KDC, MCMSME, MSEA, and MITI PIU staff on: <ul style="list-style-type: none"> • Environmental and Social Management Framework (ESMF) including Labor Management Procedures (LMP) consisting of Code of Conduct for project workers and Specific GRM • Environmental and Social Management Plans (ESMPs) • GBV Action Plan • Stakeholder Engagement Plan (SEP) • Project-wide GRM 	Prior to disbursement of funds for subprojects and during project implementation	MCMSME MITI MSEA KDC KenInvest