

Independent State of Papua New Guinea / Department of Agriculture and Livestock (DAL)

PNG Agriculture Commercialization and Diversification Project Phase 2 (P515452)

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Draft Version

September 11, 2026

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ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Independent State of Papua New Guinea (the Recipient) will implement the PNG Agriculture Commercialization and Diversification Project Phase 2 (the Project), with the involvement of the Department of Agriculture and Livestock (DAL), as set out in the Financing Agreement (the Agreement). The International Development Association (the Association) has agreed to provide financing for the Project, as set out in the Agreement. 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 Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.

2. 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, 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 referred Agreement, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.

3. 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 through the Secretary of DAL. The Recipient shall promptly disclose the updated ESCP.

4. 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.

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	**ORGANIZATIONAL STRUCTURE**		
	a. Establish and maintain a Project Coordination Unit (PCU) within DAL with qualified staff and resources to support management of environmental, social, health and safety (ESHS) risks and impacts of the Project including an Environmental and Social (E&S) Specialist, a Gender and Gender-Based Violence (GBV) Specialist and an intermittent International Environmental and Social (E&S) Advisor.	a. Within 1 month of the Project Effectiveness Date, and thereafter maintain the PCU and these positions throughout Project implementation.	DAL/PCU
	b. Establish and maintain PMUs within the coffee, cocoa, and horticulture commodity boards/agencies, with qualified staff and resources to support management of ESHS risks and impacts of the Project including a Senior Environmental and Social Officer (SESO) and Environmental and Social Officer (ESO) in each PMU.	b. Within 1 month of the Project Effectiveness Date, and thereafter maintain the PMUs and these positions throughout Project implementation.	DAL/Respective commodity boards
	c. As additional value chains (coconuts, horticulture, spices, livestock) are operationalized, ensure that a dedicated SESO and ESO with qualifications and terms of reference acceptable to the Association, is in place at the relevant implementing institution.	c. Prior to approval of first productive partnership or subproject under that value chain and maintained throughout Project implementation.	DAL/PCU/Respective PMU
	d. Conduct regular review of PCU and PMU E&S staffing and recruit additional E&S staff as required to adequately monitor and manage ESHS risks and impacts of the project.	d. Annually throughout project implementation.	

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
B	**CAPACITY BUILDING PLAN/MEASURES** a. Prepare and implement an E&S capacity building and training plan to ensure that the project's ESHS requirements and processes are understood and implemented effectively throughout the project lifecycle by all responsible persons in the PCU and PMUs as well as contractors and sub-grantees (i.e. recipients of partnership grants and matching grants). Update the plan annually to reflect implementation experience, new value chains, and emerging risks. b. Implement an Environmental, Social, Governance (ESG) capacity strengthening program for DAL, NCA, the CBPNG, and FPDA, including an ESG capacity assessment, technical assistance, and institutional capacity building.	a. Prepare within 3 months of the Project Effectiveness Date. Implement throughout Project implementation. b. Throughout project implementation	DAL/PCU
MONITORING AND REPORTING			
C	**REGULAR REPORTING** Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project. The reports shall include: • Status of preparation and implementation of E&S documents required under the ESCP. • Summary of E&S outcome and impact performance including land access and resettlement status; labor and working conditions compliance (including child labor cases identified and resolved); biodiversity and natural habitat screening outcomes; pesticide types and volumes used disaggregated by value chain; and water-related incidents and contamination events. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan (including gender-disaggregated data). • Complaints submitted to the grievance mechanisms, the grievance log, and progress made in resolving them (including resolution time, SEA/SH cases referred to service providers). • E&S performance of contractors, subcontractors, and sub-grantees as reported through monthly contractors', supervision firms', and sub-grantee reports. • Number and status of resolution of incidents and accidents reported under action E below. • Progress against the E&S Capacity Building and Training Plan targets (e.g., persons trained by category, gaps identified)	Submit biannual reports to the Association throughout Project implementation, commencing after the Project Effective Date. Submit each report to the Association no later than 30 days after the end of each reporting period.	DAL/PCU
D	**CONTRACTORS' AND SUB-GRANTEE'S MONTHLY REPORTS**		PCU/PMUs/contractors

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	a. Require contractors and supervising firms to provide monthly monitoring reports on E&S performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Association. b. Require sub-grantees to provide monitoring reports on E&S performance in accordance with the metrics specified in the respective grant guidelines and grant agreements and submit such reports to the Association.	a. Submit the monthly reports to the Association upon request and as annexes to the reports to be submitted under action C above. b. Submit the reports to the Association upon request and provide consolidated information in reports to be submitted under action C above.	PCU/PMUs/Partnership Coordinators
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. 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.	Notify the Association no later than 48 hours after learning of the incident or accident. Provide available details upon request. Provide review report and Corrective Action Plan to the Association no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Association.	DAL/PCU/PMUs
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	**ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS** a) Implement the Environmental and Social Management Framework (ESMF) that has been prepared for the Project, consistent with the relevant ESSs. b) Review and update the ESMF where material changes in Project scope, design, or risk profile occur during implementation, and submit any such updates to the Association for review prior to implementation of the changed activities.	a. Throughout Project Implementation b. Throughout Project implementation.	DAL/PCU/PMUs

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MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
c) Incorporate relevant aspects of the ESMF and associated instruments into the Project Implementation Manual (PIM) and Partnership Grant and Matching Grants Guidelines (PGMGG), and update, in a manner acceptable to the Association.	c. Prior to Project effectiveness; update throughout project implementation.	
d) Conduct a Social Conflict Analysis (SCA), as set out in the ESMF, for each project corridor, and for corridors rated Substantial or High conflict risk, prepare and implement a Social Conflict Action Plan integrating risk mitigation measures into subproject design, stakeholder engagement, and security management arrangements, in a manner acceptable to the Association.	d. Prior to commencement of relevant activities and implement throughout Project implementation.	
e) Conduct E&S screening of all proposed subprojects in accordance with the ESMF and ensure the preparation and implementation of proportionate E&S Assessments (i.e. full or limited Environmental and Social Impact Assessments) and proportionate E&S management instrument (Environmental and Social Management Plans [ESMP] or Environmental and Social Codes of Practice [ESCoP]) for each subproject as set out in the ESMF. Activities described in the exclusion list set out in the ESMF shall be ineligible to receive financing under the Project.	e. Prepare the ESA and incorporate the ESA in respective bidding documents for the respective subprojects prior to the carrying out of any subproject that requires the preparation of such ESA.	
f) Conduct environmental and social screening and relevant assessments of all proposed sub-grant activities in accordance with the ESMF and include requisite E&S mitigation measures in the sub-grant agreements. No sub-grant financing shall be approved for activities included in the ESMF exclusion list.	Once finalized, implement the respective ESA throughout Project implementation.	
g) Ensure that all project-level E&S permits, approvals and statutory clearances required under applicable PNG law have been obtained. h) Conduct a Stock-take Assessment (including E&S assessment) as per the TORs included in the ESMF to identify E&S risks and required management measures associated with Emerging Cooperatives and Plantation Conversion sub-grant activities and incorporate into the PIM and PGMGG.	f. Prior to approval of each sub-grant; mitigation measures incorporated into sub-grant agreements before signing; ESMPs (where required) prepared and disclosed before commencement of activities.	
i) Conduct E&S assessment (including water resource management, land use, and agrochemical implications) as part of the Rice Farming Pilot Feasibility, prior to any decision to proceed with rice pilot activities. Should the feasibility study determine that the rice pilot is viable and the Association approve financing for such activities, the Recipient shall ensure that the findings and recommendations of the E&S assessment are incorporated into the design and E&S instruments.	g. Prior to commencement of civil works. h. Prior to approval of any financing for such activities.	

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
		i. During project implementation and Prior to approval of any financing for rice pilot activities	
1.2	**MANAGEMENT OF CONTRACTORS AND SUB-GRANTEES** Incorporate the relevant aspects of the ESCP, including, inter alia, ESMF requirements, the Labor Management Procedures, and code of conduct and E&S permitting requirements into the E&S specifications of the procurement documents and contracts or agreements with contractors, supervising firms and sub-grantees. Thereafter ensure that the contractors and supervising firms and sub-grantees comply and that they require their subcontractors to comply with the E&S specifications of their respective contracts and agreements. Provide copies of the relevant contracts and agreements with contractors/subcontractors and supervision firms and sub-grantees to the Association.	As part of the preparation of procurement documents and respective contracts and agreements. Supervise contractors and sub-grantees throughout Project implementation. Copies of relevant contracts provided to the Association upon request.	PCU/PMUs/Contractors /Sub-Grantees
1.3	**TECHNICAL ASSISTANCE** Carry out the consultancies, studies (including rice farming pilot feasibility study, infrastructure feasibility studies, and the Plantation Conversion Stock-take Assessment), capacity building, training, and any other technical assistance activities under the Project including, inter alia, in accordance with terms of reference acceptable to the Association, that are consistent with the ESSs. Thereafter, prepare and finalize the outputs of such activities in compliance with the terms of reference.	Throughout Project implementation.	DAL/PCU
1.4	**CONTINGENT EMERGENCY RESPONSE FINANCING** Not Applicable		
1.5	**ASSOCIATED FACILITIES** If any Associated Facilities (AF) are identified, the Recipient shall assess its E&S risks and impacts in accordance with the applicable requirements of the ESSs and submit the assessment to the Association. The Recipient shall, to the extent that it has control or influence over the Associated Facility, require the entity responsible for the Associated Facility to implement measures necessary to address such risks and impacts in a manner acceptable to the Association.	Identification throughout implementation. Notification to Association within 30 days of identification of any new AF.	DAL/PCU
1.6	**CO-FINANCING AGREEMENT**		

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	The Project is co-financed by the Asian Infrastructure Investment Bank (AIIB) and the International Fund for Agricultural Development (IFAD), with the World Bank acting as lead financier. The Recipient, the Association, AIIB, and IFAD have agreed to apply the World Bank's Environmental and Social Framework (ESF) to the assessment and management of environmental and social risks and impacts of the Project. The Recipient shall implement the Project in accordance with the ESF and this ESCP, in a manner acceptable to the Association. The environmental and social instruments prepared and implemented under the Project shall apply to all project activities regardless of the source of financing.	Throughout Project implementation	DAL/PCU
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	**LABOR MANAGEMENT PROCEDURES** Adopt and Implement the Labor Management Procedures (LMP) prepared for the Project as part of the ESMF, consistent with national regulations and ESS2. Adopt and Implement the Child Labor in Agriculture Action Plan as part of the ESMF, consistent with national regulations and ESS2. Adopt and Implement the Code of Conduct (CoC) prepared for the Project as part of the ESMF. All project workers shall sign the CoC prior to mobilization or commencement of activities. Sub-grantees shall be required to adopt and enforce the CoC as a condition of sub-agreements.	Throughout Project implementation.	DAL/PCU/PMUs
2.2	**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN** Implement occupational, health, and safety (OHS) measures in accordance with the ESMF, LMP, World Bank Group Environmental, Health and Safety Guidelines (EHSGs) and national legislation. Require contractors and sub-grantees to implement site-specific OHS management measures as per E&S specifications reflected in contracts and agreements.	Throughout Project implementation	DAL/PCU/PMUs
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.	Establish W-GRM prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.	DAL/PCU/PMUs
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	**WASTE AND WATER RESOURCE MANAGEMENT**		

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	a) Implement waste management measures in accordance with the requirements outlined in the ESMF, World Bank Group Environmental, Health and Safety Guidelines (EHSGs) and national legislation. b) Implement the Water Resource Management Protocol (WRMP), as part the ESMF, to manage water-related risks across project-supported activities, including: (a) irrigation water use efficiency for horticulture and any rice pilot activities; (b) wastewater management from processing facilities (including coffee washing stations, cocoa fermentation and drying facilities, and any livestock processing activities); (c) monitoring of impacts on community water availability and downstream water quality from project-supported activities.	a. Throughout Project implementation. b. Throughout Project implementation.	DAL/PCU/PMUs
3.2	**RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT** a) Implement the resource efficiency and pollution prevention and management measures included in the ESMF as per action 1.1 above. Ensure their implementation across all Project activities. b) Update and implement the Integrated Pest and Disease Management Framework (IPDMF) prepared for the Project as an annex to the ESMF, and update the PGMGG and applicable farmer handbooks.	a. Throughout project implementation b. Update within 6 months of Project Effectiveness and implement the IPMF throughout project implementation.	DAL/PCU/PMUs
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	**TRAFFIC AND ROAD SAFETY** Implement measures to manage traffic and road safety risk as included in the ESMF as per action 1.1 above	Throughout project implementation	DAL/PCU
4.2	**COMMUNITY HEALTH AND SAFETY** Assess and manage specific risks and impacts to the community arising from Project activities including, inter alia, risks from labor influx and worker behavior (including SEA/SH risks and STI transmission), road and traffic safety during civil works (particularly for children and the elderly), exposure to agrochemicals and pesticides, construction nuisance (dust, noise, vibration), waste and by-product management, emergency situations. Include mitigation measures in the ESMPs or ESCoPs to be prepared in accordance with the ESMF.	Throughout project implementation	DAL/PCU

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.3	**SEA AND SH RISKS** Implement the SEA/SH Action Plan as part of the ESMF, to assess and manage the risks of SEA, SH, and Gender Based Violence (GBV).	Throughout Project implementation.	DAL/PCU
4.4	**SECURITY MANAGEMENT** Assess and implement measures to manage the security risks of the Project, including the risks of engaging security personnel to safeguard project workers, sites, assets, and activities. For subprojects where the Social Conflict Analysis Tool (SCAT) identifies security risks as Substantial or High, include a site-specific Security Management sub-plan in relevant subproject ESMP or ESCoP. Ensure any use of security personnel complies with international standards including the World Bank's Good Practice Note on Assessing and Managing the Risks and Impacts of the Use of Security Personnel, as required under ESS4.	Prior to commencement of activities and maintained throughout Project implementation.	DAL/PCU
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	**LAND ACQUISITION AND RESETTLEMENT FRAMEWORK** a) Implement the Land Acquisition and Resettlement Framework (LARF) for the Project, consistent with ESS5. Ensure all land access for the Project is carried out in accordance with ESS5, the LARF, and applicable PNG law. b) Where resettlement impacts are identified, prepare, consult, disclose, and implement a Resettlement Plan (RP) in accordance with the LARF and ESS5, in a manner acceptable to the Association.	a. Throughout Project implementation. b. Prior to carrying out the relevant works.	DAL/PCU/PMUs
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	**BIODIVERSITY RISKS AND IMPACTS** a) Implement the biodiversity management measures included in the ESMF as per action 1.1 Screen all proposed subprojects for biodiversity risks in accordance with the ESMF, avoiding siting or activities in natural and critical habitats. Where risks to sensitive ecosystems or species are identified, conduct a Critical Habitat Assessment (CHA) prior to subproject approval and, where significant risks or impacts are confirmed, prepare and implement a Biodiversity Management Plan (BMP) as part of the subproject ESMP, consistent with ESS6 and in a manner acceptable to the Association.	a. Throughout project implementation	DAL/PCU/PMUs

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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	**INDIGENOUS PEOPLES** Implement the elements of an Indigenous Peoples Plan (IPP) which have been included in project design and the SEP and LARF including (a) culturally appropriate engagement conducted in Tok Pisin or relevant local languages; (b) Free, Prior and Informed Consent (FPIC) for customary land access; and (c) direct and equitable access to project benefits for Indigenous Peoples, including women, youth, and other vulnerable groups	Throughout Project implementation	DAL/PCU/PMUs
ESS 8: CULTURAL HERITAGE			
8.1	**CULTURAL HERITAGE RISKS AND IMPACTS** Assess and manage risks and impacts of the Project on physical and intangible cultural heritage in accordance with ESS8 and the ESMF. Where subproject screening identifies known cultural heritage sites within or adjacent to a proposed works area or intangible cultural heritage risks, first seek to avoid impacts through alternative design or siting. Prepare and implement Cultural Heritage Management Plan (CHMP) or relevant measures as part of the ESA in accordance with the guidelines of the ESMF prepared for the Project, and consistent with ESS8.	Throughout project implementation	DAL/PCU/PMUs
8.2	**CHANCE FINDS** Implement chance finds procedures as set out in the ESMF and consistent with ESS8.	Throughout Project implementation.	DAL/PCU/PMUs
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	**ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)** Not Aplicable		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	**STAKEHOLDER ENGAGEMENT PLAN** Update and implement the Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which includes 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.	Update the SEP within 6 months of Project Effectiveness; implement throughout Project implementation.	DAL/PCU/PMUs
10.2	**PROJECT GRIEVANCE MECHANISM**		DAL/PCU/PMUs

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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. 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. Designated GRM focal points or liaison arrangements at the community level in each project corridor, to receive grievances from communities without reliable access to digital or telephone channels.	Within 1 month of Project effectiveness, and thereafter maintain and operate the mechanism throughout Project implementation.	
INDICATORS FOR IMPLEMENTATION READINESS			
The following actions are indicators for implementation readiness: a) E&S Specialist, Gender and GBV Specialist and intermittent International E&S Advisor recruited within DAL PCU b) 3 x SESO and 3 x ESO are recruited for the Cocoa, Coffee and Horticulture PMUs c) All PCU and PMU staff completed E&S induction and SEA/SH induction d) Key E&S instruments (ESMF, LMP, LARF, SEP, IPDMF) disclosed on DAL website and World Bank external website e) E&S requirements and processes outlined in the ESCP, SEP, ESMF, LMP and LARF incorporated into project implementation manual and grant and partnership guidelines f) E&S processes and tools incorporated into the project Management Information System g) Establish the worker grievance mechanism h) Establish and publicize the project grievance mechanism including pathway for receiving and managing SEA/SH grievances			