National Bank for Financing Infrastructure and Development

Unlocking Private Capital for Long-term Infrastructure Financing and Bond-market Transformation (UPLIFT P513529)

DRAFT ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

Appraisal Version

AUGUST 2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The National Bank for Infrastructure Development (the Borrower) will implement the **Unlocking Private Capital for Long-term Infrastructure Financing and Bond-market Transformation** Project (the Project as set out in the Loan Agreement and Guarantee Agreement (the Agreements). The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the Agreements.

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 as provided under the Agreement. 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 Agreement.

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 referred 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[1]			
A	**ORGANIZATIONAL STRUCTURE** (a) Maintain an E&S Committee, E&S Lead, and dedicated E&S Team within National Bank for Financing Infrastructure and Development (the 'borrower') with qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project and CEF-supported sub-projects, including hiring E&S specialists and/or as consultancy panel with expertise in biodiversity, resettlement, labor, and climate. The borrower shall maintain a robust system for evaluation, shortlisting and appointment of Environmental and Social (E&S) consultants/advisors based on technical specialization and competencies to undertake E&S assessments, due diligences and monitoring of CEF-supported sub-projects, as per requirements in the IFI ESMS Addendum and specific Terms of References issued. (b) Enter into facility agreements with ["Bond Issuer" or "Eligible Bond Issuer"] to manage E&S risks and impacts of the Project and CEF-supported sub-projects. (c) The borrower shall develop and implement a set of Digital Tools that will assist in the efficient and effective screening / assessment of CEF-supported sub-projects, with focus on themes below: - Biodiversity Screening/Risk Assessment - Climate Risk Assessment Tool	(a) Maintain E&S governance structure no later than [insert date or milestone] and thereafter maintain the E&S governance structure and the relevant positions throughout Project implementation. (b) Facility agreements will be entered into at the time of commitment / documentation. (c) throughout Project implementation	Borrower
B	**CAPACITY BUILDING PLAN/MEASURES** (a) The borrower would conduct capacity building and training for its E&S Staff, Decision Makers and its ["Bond Issuer" or "Eligible Bond Issuer"] E&S staff on: - The Bank's and Other Lenders' E&S Standards, as applicable to the borrower and to CEF-supported sub-projects - Effective implementation of the borrower's ESMS and the IFI ESMS Addendum for CEF-supported sub-projects - Management of E&S impacts and decision making on high and substantial E&S risk sub-projects - Borrower's GRM and it's implementation	(a) At least once every Financial Year throughout Project implementation, and for Bond Issuer or Eligible Bond Issuer on a needed basis, as agreed with the Bank.	Borrower
MONITORING AND REPORTING			
C	**REGULAR REPORTING**		Borrower

[1] For all actions, consult with the country lawyer to ensure consistency with the legal agreement in cases where some actions need to be completed before the project becomes effective (effectiveness condition) or before certain disbursements can occur (disbursement condition).

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	(a) The Borrower shall prepare and submit to the Bank summary monitoring reports on the environmental, social, health and safety (E&S) performance of Bank financed sub-projects. These annual reports would include, at the minimum, - Status of preparation and implementation of E&S documentation for all E&S risk categories of CEF-supported sub-projects, including reporting on E&S performance status - More detailed E&S reporting on the CEF-supported sub-projects, including justification for decisions on high and substantial risk sub-projects. - Number and status of resolution of serious incidents and accidents reported by each CEF-supported sub-project. - Number of complaints received by the borrower through its Grievance Mechanism for CEF-supported sub-projects, number and type of complaints received by the borrower's ["Bond Issuer" or "Eligible Bond Issuer"] for Bank and other CEF-supported sub-projects; and resolution status of these grievances. - Number and status of resolution of incidents and accidents reported under action D below.	(a) Annual; throughout Project implementation. Submit each annual report to the Bank no later than 60 days after the end of each reporting period	
D	**INCIDENTS AND ACCIDENTS** (a) Notify the Bank of any incident or accident relating to CEF-supported 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 Bank upon request. (b) 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.	 (a) Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request. (b) Provide review report and Corrective Action Plan to the Bank no later than 30 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.	Borrower
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	**ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS**		Borrower

	MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
	(a) The borrower will develop and implement an **Addendum** to its existing Environmental & Social Management System (ESMS) [referred to as the IFI ESMS Addendum throughout this document]. The IFI ESMS Addendum shall apply to all investments supported under the Project consistent with the ESF, as described under ESS 9.	(a) The IFI ESMS Addendum will be prepared prior to Project effectiveness and will be implemented throughout the Project implementation.	
1.2	**TECHNICAL ASSISTANCE** (a) Carry out the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Project in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.	(a) Throughout Project implementation.	Borrower
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	**LABOR MANAGEMENT PROCEDURES** (a) The borrower shall implement labor management procedures pursuant to its own Human Resources Policies and procedures consistent with the requirements of ESS 2. (b) Strengthen and continue to operate the grievance redressal mechanisms accessible to all the borrower's staff, consultants, contractors and vendors working on the Bank financed Project, which 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.	(a) Throughout Project implementation. (b) Continue to operate GRM throughout Project implementation.	Borrower
2.2	**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN** (a) For Higher Risk CEF-supported sub-projects involving civil works and other construction activities, require CEF-supported sub-projects to prepare and implement OHS Management Measures or Plans in accordance with the IFI ESMS Addendum	(a) Throughout Project implementation.	Borrower
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
See actions under ESS 9.			
ESS 4: COMMUNITY HEALTH AND SAFETY;			
See actions under ESS 9.			
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE, AND INVOLUNTARY RESETTLEMENT;			
See actions under ESS 9.			

	MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES;			
See actions under ESS 9.			
ESS 7: INDIGENOUS PEOPLES / HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES;			
See actions under ESS 9.			
ESS 8: CULTURAL HERITAGE			
	See actions under ESS 9.		
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	**ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)** (a) The borrower will develop and implement the IFI ESMS Addendum which will be applicable to all investments supported under IFI operations (covering all bonds/instruments under the CEF backed by IBRD guarantee/IBRD loan, and where applicable, parallel or stand-alone financing by other IFI's). The IFI ESMS Addendum shall include all gap filling measures as agreed upon with the Bank and incorporate related additions/alterations not limited to the following elements: - **E&S Policy** – Modify existing E&S policy to include scope for conformance of IFI policies and standards and the application of IFI ESMS Addendum for sub-projects selected to be funded by IFI investments. - **ESDD:** The IFI ESMS Addendum shall require the borrower to undertake Environmental and Social Due Diligence (ESDD) to be carried out for each Bank financed sub-project, incorporate risk mitigation measures consistent with relevant national legal and regulatory requirements and the Environment and Social Standards (ESSs) of the World Bank's Environment and Social Framework (ESF) and the World Bank Group's ESHS Standards. - **Exclusion Criteria** – the Exclusion List shall function as an absolute eligibility filter for the IFI investment portfolio. - **Screening Criteria & Risk Categorization** – the E&S screening criterion will apply to CEF-supported sub-projects consistent with the relevant ESSs and lead to project risk categorization based on the nature, scale, location, and inherent E&S risk profile. - **Identification & Assessment of E&S Risks** – Institute procedures, supplementing the existing ESMS procedures of the borrower, that will ensure the identification, assessment and management of the environmental, social, labour and working conditions, community health and safety, and occupational health and safety risks, biodiversity, indigenous people and cultural aspects, consistent with the relevant ESSs for all CEF-supported sub-projects and adhere to the ESF and any other IFI standards as applicable. - **Decision Making:** Integrate E&S inputs into CEF-supported sub-projects decision-making process aligned with ESS / Lender Standards, including the obtaining of a formal E&S Clearance for CEF-supported sub-projects.	(a) The IFI ESMS Addendum will be prepared prior to Project effectiveness and will be implemented throughout the Project implementation.	Borrower

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	- **Stakeholder Engagement & Grievance Redressal:** [A] Incorporate tiered stakeholder engagement procedure for funded projects, aligned with ESS10 /Lender Standards, with scope for: (1) enhanced consultation and disclosure for high and substantial risk projects and (2) reliance on national law for moderate and low Risk projects. [B] Provision for a standard GRM for all CEF-supported sub-projects, with clearly assigned responsibility on the [“Bond Issuer” or “Eligible Bond Issuer”] for design and operation during the life cycle of the sub-project. - **Monitoring & Review**: Institute appropriate system for monitoring and review of CEF-supported sub-projects, aligned to ESF and other Lender Standards as applicable. - **E&S Disclosure –** Set and implement a procedure such that all CEF-supported sub-projects adhere to ESS10 and Lender Standards requirements for disclosure of E&S information. This will include disclosure of E&S documents to affected communities, in local languages and for requisite time, prior to CEF-supported sub-project approval consistent with relevant national laws and regulations.		
9.2	**ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)** Contractual arrangements between the borrower and [“Bond Issuer” or “Eligible Bond Issuer”] shall incorporate relevant requirements of ESS9 and Action 9.1 above.	After selection of each [“Bond Issuer” or “Eligible Bond Issuer”], and prior to signing the contracts with each [“Bond Issuer” or “Eligible Bond Issuer”].	Borrower
9.3	**EXCLUSIONS** Screen all proposed CEF-supported sub-projects against the Exclusion List set out in the IFI ESMS Addendum.	Screen the CEF-supported sub-projects before determining whether they are eligible.	Borrower
9.4	**THE BORROWER’S ORGANIZATIONAL CAPACITY** The borrower’s Environmental and Social (E&S) team is headed by the Executive Vice President & Head of the Business Strategy & Partnerships Department, a position one level below the Board. The team is led by the Vice President (E&S Lead) and comprises team members at the Senior Analyst and Analyst levels. The E&S Lead, supported by the E&S team, is responsible for overseeing and ensuring the effective implementation of the ESMS across the organization.	The existing structure remains unchanged and will continue to be followed throughout project implementation, with additional resources mobilized as needed.	Borrower
9.5	**SENIOR MANAGEMENT REPRESENTATIVE**	The existing structure remains unchanged and will continue to be followed throughout project implementation, with additional resources mobilized as needed.	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	To provide strategic oversight of the borrower's E&S Policy and ESMS, an Environmental and Social (E&S) Committee has been constituted. The Committee is responsible for promoting sustainable value creation by integrating responsible investment practices into the organization's lending and investment operations. It provides oversight on material E&S risks and governance matters relevant to the organization's portfolio and supports the organization in maintaining and enhancing its E&S performance in line with its stated commitments. The E&S Committee is chaired by the Deputy Managing Director and Chief Risk Officer and comprises the heads of key departments, including Credit Risk & Policy, Lending & Project Finance, Risk Management, and Business Strategy. Through its cross-functional composition, the Committee facilitates effective governance, strategic guidance, and oversight of the implementation of the organization's E&S Policy and ESMS.		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	**STAKEHOLDER CONSULTATIONS AND INFORMATION DISCLOSURE** (a) Publicly disclose an E&S risk summary report for all CEF-supported sub-projects, which will include, at minimum, - Names of the CEF-supported sub-projects - Geographical locations - Sectors - Summary descriptions of the CEF-supported sub-projects - E&S risk profiles of the CEF-supported sub-projects and associated mitigation measures. (b) Conduct stakeholder engagement and consultation activities with high-level and strategic stakeholders of the Project and CEF-supported sub-projects, its key environmental and social risks and impacts, and associated mitigation measures. (c) Cause all ["Bond Issuer" or "Eligible Bond Issuer"] of Bank financed sub-projects to disclose relevant E&S documents as required by the country's legislation, regardless of the sub-project's E&S risk categorization (d) Cause all ["Bond Issuer" or "Eligible Bond Issuer"] of CEF-supported sub-projects to out in place procedures for external communications and information disclosure on E&S matters and meaningful stakeholder engagement, particularly with affected communities (giving special attention to vulnerable and culturally distinct social groups that might be adversely impacted by sub-project specific activities) in a manner proportionate to the risks and impacts of the sub-projects	(a) Annual; throughout Project implementation. Disclose each E&S risk summary report no later than 60 days after the end of each reporting period (b), (c) Throughout Project implementation (d) at minimum annual	Borrower
10.2	**PROJECT GRIEVANCE MECHANISM**		Borrower

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	(a) The borrower shall strengthen its existing grievance redressal mechanism, such that stakeholders can submit sub-project specific grievances or on the functioning of the borrower with relation to E&S performance of CEF-supported sub-projects through the borrower's website. 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. (b) Institute a Grievance Committee that will facilitate the evaluation of grievances received and facilitate timely resolution, with scope for providing feedback/communication to the grievant concerned. The GRM should also have scope for receiving anonymous grievances. (c) Cause ["Bond Issuer" or "Eligible Bond Issuer"] CEF-supported sub-projects to establish and maintain grievance redressal mechanisms where in sub-project stakeholders can submit their grievances with relation to E&S issues. Required ["Bond Issuer" or "Eligible Bond Issuer"] to submit biannual summary reports of grievances received through their respective GRMs and the status of resolution of these grievances.	(a) and (b) – Within 3 months from Project Effectiveness and maintained throughout Project implementation (c) Throughout Project implementation	

INDICATORS FOR IMPLEMENTATION READINESS

The following actions from the table above are indicators for implementation readiness:

1. A (a), (b)
2. 1.1 (a)
3. 2.1 (a)
4. 9.1 (a)
5. 10.1 (a) and (b)