ESMP mandatorily annexed to the Financing Agreement (FA)
Project:

General considerations

1. [*NATIONAL TREASURY*] is planning to implement the [**MUNICIPALITY UTILITY REFORM PROGRAM**] Project (the ***Project***). The Bank has agreed to provide financing, implementation support and monitoring for the Project.

2. [**NATIONAL TREASURY**] will implement measures and actions of this Environmental and Social Management Plan[1] (***ESMP***) so that the Project meets all the requirements of the Bank Environmental and Social Operational Safeguards (***OS***) and the National policy and legal requirements.

3. Where the ESMP refers to specific plans, whether they have already been prepared or are to be developed, the ESMP requires compliance with all mandatory provisions of such plans.

4. The table below summarizes the material measures and actions that are required, the basis of the requirement, the timing of the measure or action, and the criteria to be used for determining whether the required measure or action has been successfully achieved. [*NATIONAL TREASURY*] is responsible for compliance with all requirements of the ESMP even when implementation of specific measures and actions is conducted by an entity different from the Project Management Organisation (PMO).

5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by [*NATIONAL TREASURY*] as required by the ESMP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the measures and actions throughout implementation of the Project.

6. As agreed by the Bank and [*NATIONAL TREASURY*], this ESMP may be revised from time to time during Project implementation, to reflect adaptive risk management of project changes and unforeseen circumstances or in response to assessment of project performance conducted under the ESMP itself. In such circumstances, [*NATIONAL TREASURY*] will propose and agree changes with the Bank, and then update the ESMP to reflect such changes.

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[1] The ESMP refers to all the E&S risks/impacts and measures, as approved in all the disclosed E&S documents and agreed between the Bank and Borrower. For projects involving multiple subprojects, that are identified, prepared and implemented during the course of the project, the Borrower will need to demonstrate to the Bank, before the project appraisal, through the preparation of E&S documentation of a sample of subprojects, that it has the capacity to carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects in accordance with the national laws and the OSs. (***Section III.2.3 of Bank's ESP and section D of OS1***)

	Material Actions[2] to Manage the Project's E&S Risks and Impacts	Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
	Periodic E&S implementation report to the Bank	Bank's ESP and OS1	Reports submitted in time, in good standard	Two weeks after the due period
1	Recruitment of E and S specialists as part of the Project implementation unit	Disclosed BA/ESIA, OS1	E&S capacity in the PMO to oversee the contractor performance	Within 6 months of loan agreement
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	Functional GRM in Place receiving and addressing grievances	Within 6 months of loan agreement
3	Payment of compensation and reinstallation of affected people	SO10	NA to loan scope	
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	Contractors ESMP as part of RFPs and monitored by PMO	By PMO at bidding document preparation
5	Submission of high-risk activity's Contractor ESMP (C-ESMP) to Bank clearance	Bank's ESP and OS1	NA to loan scope	
6	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	ÓS1, OS2, SO10 and Bank's Disclosure and Access to Information Policy	Contractor Grievances reporting obligation to the Municipality in the contract	By Contractor effectiveness date
7	Obtaining nationally required licenses prior to commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	Contractor to provide, if required by RSA law. All licenses and permits to be on hand before undertaking activities.	By Contractor effectiveness date
8	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	Disclosure of documents required for environmental authorizations.	By PMO at the completion of specific E&S document
9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank's Disclosure and Access to Information Policy	Engagements meeting minutes/records within the Municipality, as service delivery authority, through existing structures except as delegated to PMO	By Contractor effectiveness date and supported by municipalities, as may apply.

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[2] Please add any relevant key actions and/or indicate "Not applicable" in the third column ("Basis for requirement") for actions that are not applicable to the project.

	Material Actions[2] to Manage the Project's E&S Risks and Impacts	Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
10	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingences	Dedicated procedure / protocol under C-ESMP.	By Contractor effectiveness date
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Municipality, as service delivery authority, remains accountable through existing structures (track number of grievances addressed with associated timeline)	By Contractor effectiveness date
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	NA to loan scope	
13	Capacity building of key project implementers	OS1	The procurement process will require capacity of the implementer Training records, participation registers and acknowledgement of understanding content received.	Within 6 months of loan agreement
14	Implementation of ESMS/ESAP[3]	OS1 and OS9, national requirements	NA – sovereign loan	N/A
14.1	*Approval of any required E&S management procedure*	OS1 and OS9, national requirements	Environmental Authorisations/permits	Before commencement of works/activities
14.2	*Establishment of the E&S unit*	OS1 and OS9, national requirements	E & S Units/specialists in place	Within 6 months of loan agreement
14.3	*Capacity Building of the E&S Unit*	OS1 and OS9, national requirements	Capacity Strengthening/Training records	Throughout project implementation
14.4	*Processing the Value Chain E&S due diligence*	OS1 and OS9, national requirements	N/A	N/A
15	Suspending works in the event of EOHS risk or incident, immediately notify the Bank, and resume works only upon no-objection of the Bank.	Bank's ESP	Incident Register aligned to legislative requirements (note each	Immediately and no later than 72 hours after the occurrence

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[3] Applies to non-sovereign operations and public sector projects implemented by permanent autonomous Agencies/Institutions.

	Material Actions[2] to Manage the Project's E&S Risks and Impacts	*Basis for Requirement*	*Key Performance Indicator*	*Indicative Timing/Deadline*
			act has specific requirements for incidents).	
16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OS1	Incident Register aligned to legislative requirements (note each act has specific requirements for incidents). Audit CAP for adequacy and effectiveness.	Within One Month of occurrence
17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	Municipality, as service delivery authority, remains accountable through existing structures (Notices / Records / Links)	By Contractor effectiveness date