

### General considerations

1. *ARMHIIL* is planning to implement the *ARM-Harith Successor Fund Project* (the **Project**). The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. *ARMHIIL* will implement measures and actions of this Environmental and Social Management Plan<sup>1</sup> (**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. *ARMHIIL* 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 Fund Manager (FM).
5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by *ARMHIIL* 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 *ARMHIIL*, 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, *ARMHIIL* will propose and agree changes with the Bank, and then update the ESMP to reflect such changes.

<i>Material Actions<sup>2</sup> to Manage the Project's E&amp;S Risks and Impacts</i>	<i>Basis for Requirement</i>	<i>Key Performance Indicator</i>	<i>Indicative Timing/Deadline</i>
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

<sup>1</sup> 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 OSI*)

<sup>2</sup> 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.

1	Recruitment of E and S specialists as part of the Project implementation unit	Disclosed ESIA, OS1	Seasoned E&S specialists in the PIU	By Project effectiveness date
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	Project GRM of good standard developed and disclosed at individual portfolio project level. Also GRM implementation and grievance logs included in periodic ESG reports.	During project preparation at portfolio project level.
3	Payment of compensation and reinstatement of affected people	SO10	Resettlement Action Plan (RAP) prepared and disclosed (where applicable) at individual portfolio project level. For such projects, periodic RAP implementation reports of good standard submitted in time, including a RAP Audit Report in due course. Evidence of compensation payment to project affected persons made available.	To be implemented at portfolio project level and completed prior to construction activities.
4	Incorporation of site-specific E&S measures in the request for proposals (“RfP”)	SO1 & national requirements	Implemented at individual portfolio project level – site-specific E&S clauses incorporated in each RfP.	During project preparation at portfolio project level
5	Submission of high-risk activity’s Contractor ESMP (C-ESMP) to Bank clearance	Bank’s ESP and OS1	High quality project-specific C-ESMP implemented at individual portfolio project level	Prior to the commencement of construction for greenfield projects and before the commencement of upgrade/expansion activities for brownfield projects.
6	Establishment of the Contractor’s Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank’s Disclosure and Access to Information Policy	Project-specific Contractor’s Grievance Mechanism / Information to Workers implemented at individual portfolio project level	By Project effectiveness date
7	Obtaining nationally required licenses prior commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	Applicable general and project-specific regulatory licenses / permits obtained at individual portfolio project level	Prior to commencement of construction
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	Reviewed TOR to ensure adequate reflection of E&S scope and requirements. Disclosed specific E&S instruments.	Prior to commencement of construction
9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank’s Disclosure and Access to Information Policy	Project-specific Stakeholder Engagement Plan	During project preparation at portfolio level

10	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingencies et	Project-specific Emergency Preparedness and Response Plan and Procedures; project-specific Emergency Drills Records; project-specific Emergency Preparedness and Response Training Records	During project preparation at portfolio level
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Complaints Handling Management Plan/Grievance Management Procedure; Grievance Logs; Training records on the use of GRM.	During project preparation, construction and operations phase at portfolio level
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	Evidence of communication to project affected persons at portfolio project level (where applicable)	During project preparation, construction and operations phase at portfolio level.
13	Capacity building of key project implementers	OS1	Records of capacity building session.	During project preparation, construction and operations phase at portfolio level
14	Implementation of ESMS/ESAP <sup>3</sup>	OS1 and OS9, national requirements	Evidence of ESAP implementation as agreed with the Bank in relation to the Fund ESGMS	Within the timeframe agreed for each E&S action during due diligence
14.1	<i>Approval of any required E&amp;S management procedure</i>	Ditto	Board/Executive Management Approval Memo; Executive Management sign-off on revised E&S Management Procedure.	During the Fund lifecycle (investment and portfolio management)
14.2	<i>Establishment of the E&amp;S unit</i>	Ditto	Not Applicable (E&S Function already in place).	Not Applicable
14.3	<i>Capacity Building of the E&amp;S Unit</i>	Ditto	Annual E&S Training Plan; Records of capacity building for staff.	At least annual and throughout the Fund lifecycle (investment and portfolio management)
14.4	<i>Processing the Value Chain E&amp;S due diligence</i>	Ditto	Project-specific E&S Due Diligence Report; E&S section of project-specific Investment Memo.	Prior to any investment during the Fund lifecycle
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	Memo for Suspension of works in the event of EOHS risk or incident; timely email notification of the Bank within applicable timeline; No-Objection of the Bank for resumption of work, as applicable.	Immediately and no later than 72 hours after the occurrence

<sup>3</sup> Applies to non-sovereign operations and public sector projects implemented by permanent autonomous Agencies/Institutions.

16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OS1	Submission of Root Cause Analysis Report; comprehensive and well-costed Corrective Action Plan implemented within reasonable timeline.	During project preparation, construction and operations phase at portfolio level
17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	Disclosure of Project-specific E&S Reports in line with the country and the Bank's requirements (at portfolio project level)	During project preparation at portfolio level/prior to commencement of construction.