

Name of Project: Rehabilitation & Extension of Power Systems (Rehabilitation of Kapichira1 and Nkula B Hydropower Plants)

SAP Code; P-MW-FA0-012

ESMP mandatorily annexed to the Financing Agreement (FA)

General considerations

1. Electricity Generation Company (Malawi) Limited [*EGENCO*] is planning to implement the *MALAWI REHABILITATION OF NKULA & KAPICHIRA HYDROPOWER STATIONS* Project. The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. EGENCO will implement measures and actions of this Environmental and Social Management Plan¹ (*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. EGENCO 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 Implementation Unit (PIU).
5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by [] 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 EGENCO, 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, EGENCO will propose and agree changes with the Bank and then update the ESMP to reflect such changes.

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 OSI*)

<i>Material Actions² to Manage the Project's E&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 on time, in good standard	Within Two weeks after the end of the reporting month
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	<ul style="list-style-type: none"> Advertisement in The Nation Newspaper, The Daily times, Publishing on EGENCO Website, Notice Boards (Chikwawa and Neno District Councils) and Awareness to Communities GRM operational and accessible to all stakeholders Grievance redress committee established Grievance Register and Grievance Reporting and Management Procedures in place 	<ul style="list-style-type: none"> Advertisement to be done by 10 July 2025 GRM Committee instituted and community awareness to be done by 31 July 2025 GRM Maintained for entire project period and reported periodically 21days from receipt of grievance
3	Payment of compensation and reinstallation of affected people	SO10	N/A	N/A
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	E&S Clauses incorporated in the Bidding Document Including Environmental and Social (ES)	Before Bidding Document/RFP release

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.

			Management Strategies and Environmental and Social (ES) Performance Security	
5	Submission of high-risk activity's Contractor ESMP (<i>C-ESMP</i>) to Bank clearance	Bank's ESP and OS1	C-ESMP and Sub management plans developed, submitted and cleared by the Bank	Before commencement of construction work /of high-risk activities
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	<ul style="list-style-type: none"> Contractor's Projects GRM and Contractor's workers GRM developed, Signed Worker's Code of Conduct, Gender Action Plan and GBV Action Plan in place 	A month after mobilization of Contractor
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	<ul style="list-style-type: none"> All necessary licenses are obtained and valid at time of activity Availability of valid Workplace registration and permits 	Before commencement of the works
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	E&S documents approved and disclosed on relevant websites Community Engagement Reports, Attendance register	ESMP, SEP, GRM, disclosed on July 10, 2025, on both the borrower's and bank's website & any other required E&S documents (such as ESMP-FA etc.) will be disclosed immediately after approval and clearances finalization. ESMS developed by end September 2025
9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank's Disclosure and Access to Information Policy	Minutes of the Meeting with the stakeholders	On-going with each project activity.

			Number of stakeholder engagements activities and meetings held.	
10	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingencies et	<ul style="list-style-type: none"> Document and communication of Emergency Preparedness and Response Mechanism procedure. Emergency Preparedness and Response mechanism and procedures identified and applied Number of workers who received training in Emergency Preparedness and Response mechanism 	<p>EPP Procedures developed by September 2025</p> <p>Trainings on EPP Procedures to be conducted before commencement of works</p>
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Resolution time for complaints. and Number of complaints/grievances recorded and resolved/closed in time	Ongoing process
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	Timeliness and effectiveness of notifications of potential impacts	Immediately and no later than 72 hours upon identification of potential impact.
13	Capacity building of key project implementers	OS1	<ul style="list-style-type: none"> Number of key training implementers trained and training reports; Number of training documents prepared 	Bi-annually throughout project implementation period

14	Implementation of ESMS/ESAP ³	OS1 and OS9, national requirements	Implementation of approved and signed ESMS	During project implementation
14.1	<i>Approval of any required E&S management procedure</i>	Ditto	Number of required procedures developed and approval records.	Periodic E&S implementation report within two weeks after the end of the reporting month An independent annual E&S Compliance Audit at the end of the year or in the first quarter of the following year
14.2	<i>Establishment of the E&S unit</i>	Ditto	E & S Unit in place	Before project launching
14.3	<i>Capacity Building of the E&S Unit</i>	Ditto	<ul style="list-style-type: none"> Number of E&S unit staff trained Number of E&S specialists assigned with the required resources at PIU level 	Bi-annual
14.4	<i>Processing the Value Chain E&S due diligence</i>	Ditto	Completion of due diligence reports	Prior to engaging new suppliers or contractors.
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	<ul style="list-style-type: none"> Number of incidents resulting in work suspension. Number of serious EOHS incidents reported as per the bank's reporting requirements 	Immediately and no later than 72 hours after the occurrence
16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OS1	Root Cause Analysis report, No. of Correction Action Plans implemented	later than 30 days after incident.

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

17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	<ul style="list-style-type: none"> • Number of Community Engagement report • Number of reports disclosed to the public on relevant websites 	31 July 2025
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