

**Republic of North Macedonia
Additional Financing (P181605) for Public
Sector Energy Efficiency Project P149990**

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

Draft for Negotiation

21 February, 2025

1. The Republic of North Macedonia (the Borrower) will implement the Additional Financing for the Public Sector Energy Efficiency Project through the Ministry of Finance (MoF), as set out in the Original Loan and Additional Grant Agreement (the Agreement[s]). This Environmental and Social Commitment Plan (ESCP) supersedes previous versions of the ESCP for the Project and shall apply both to the original and the additional financing for the Project referred to above.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this ESCP, in a manner acceptable to the Bank. 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 Agreements.
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/Recipient'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			
A	ORGANIZATIONAL STRUCTURE 1. The PIU established under the Ministry of Finance will be maintained and with qualified staff and resources to support management of E&S risks including full-time Environmental (1) and Social (1) Specialists. 2. The Energy Efficiency Fund (EEF) to be established under the Development Bank of North Macedonia (DBNM) within the scope of Component 3 of the parent Project, shall hire and maintain qualified staff to manage E&S risks of subprojects financed through the EEF, including one full-time environmental, one full-time social and one full-time occupational health and safety (OHS) specialists.	1. PIU maintained, staffed and operational throughout Project implementation 2. EEF environmental, social and OHS specialists to be hired within three months after the establishment of EEF	PIU/MoF DBNM/EEF, in coordination with PIU/MoF
B	CAPACITY BUILDING PLAN/MEASURES Training will be provided to the E&S staff of DBNM/EEF on the ESS requirements as per the ESF, including: <ul style="list-style-type: none"> assessment and management of environmental and social risks related to the Project stakeholders' mapping and engagement community health and safety Training will be provided to Project workers on occupational health and safety, waste management and pollution prevention 	First training to be provided within four months after the EEF is established, and repeated as needed throughout project implementation	PIU/MoF
MONITORING AND REPORTING			
C	REGULAR REPORTING Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation of E&S documents and implementation of mitigation measures required under the ESCP, stakeholder engagement activities, functioning of the grievance mechanism(s).	Semi-annually throughout project implementation	PIU/MoF
D	CONTRACTORS' MONTHLY REPORTS Require contractors and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts, and submit such reports to the Bank.	Monthly throughout project implementation	PIU/MoF
E	INCIDENTS AND ACCIDENTS Promptly notify the Bank of any incident or accident related 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, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.	PIU/MoF

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	<p>taken or that are planned to be taken to address it, and any information provided by any contractor and/or supervising firm, as appropriate.</p> <p>Subsequently, at the Bank's request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Provide review report and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank</p>	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <ol style="list-style-type: none"> Update with a list of new buildings, adopt, disclose and implement the Environmental and Social Management Framework (ESMF) that has been prepared for the original Project, in a manner acceptable to the Bank and consistent with relevant ESSs. Cause the DBNM/EEF to adopt and implement the updated ESMF, in a manner acceptable to the Bank and consistent with relevant ESSs Screen any proposed subproject in accordance with the Environmental and Social Management Framework (ESMF) prepared for the parent Project and updated for the AF, and, thereafter, draft, adopt, and implement subproject specific Environmental and Social Management Plans (ESMPs), as required in the ESMF, in a manner acceptable to the Bank and consistent with ESSs. 	<ol style="list-style-type: none"> The ESMF is updated, adopted and disclosed within before appraisal; implemented throughout the Project life The ESMF is adopted by the DBNM/EEF within three months after the EEF establishment Subproject specific ESMPs prepared prior to each subproject approval. Once approved, subproject specific ESMPs implemented throughout Project life 	<p>PIU/MoF</p> <p>DBNM/EEF</p> <p>PIU/MoF/DBNM/EEF</p>
1.2	<p>MANAGEMENT OF CONTRACTORS</p> <p>Incorporate the relevant aspects of the ESCP, including, inter alia, subproject specific ESMPs, the Labor Management Procedures, and code of conduct, into the E&S specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply and that they require their subcontractors to comply with the E&S specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Bank.</p>	<p>As part of the preparation of procurement documents and respective contracts.</p> <p>Supervise contractors throughout Project implementation.</p>	PIU/MoF
1.3	<p>TECHNICAL ASSISTANCE</p>	<p>Throughout Project implementation.</p>	PIU/MoF

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Ensure that the consultancies, studies, capacity building, training, and any other technical assistance activities under the parent Project and AF are carried out in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.		
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES Update, adopt, and implement the Labor Management Procedures (LMP) that have been developed for the original Project.	Throughout Project Implementation	PIU/MoF
2.2	OCCUPATIONAL AND HEALTH AND SAFETY MEASURES Prepare, adopt, and implement occupational, health and safety (OHS) measures specified in subproject specific ESMPs.	Same timeframe as for the implementation of subproject specific ESMPs	PIU/MoF
2.3	GRIEVANCE MECHANISM FOR PROJECT WORKERS Maintain, and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.	Grievance mechanism maintained throughout Project implementation	PIU/MoF
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT: Resource efficiency, pollution prevention and site-specific waste management measures, including those for the demolition, dismantling and disposal phases, will be covered under subproject specific ESMPs prepared under action 1.1 above.	Same timeframe as for the preparation and implementation of subproject specific ESMPs	PIU/MoF
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Adopt and implement measures and actions to assess and manage traffic and road safety risks as required in subproject specific ESMPs developed under action 1. above.	Same timeframe as for the preparation and implementation of subproject specific ESMPs	PIU/MoF
4.2	COMMUNITY HEALTH AND SAFETY Prepare, adopt, and implement measures and action to assess and manage specific risks and impacts to the community arising from Project activities including, those related to Project workers and risks of labor influx, and include these measures in subproject specific ESMPs to be prepared in accordance with the ESMF, in a manner acceptable to the Bank and consistent with relevant ESSs	Same timeframe as for the preparation and implementation of subproject specific ESMPs	PIU/Ministry of Finance

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ESS 8: CULTURAL HERITAGE			
8.2	CHANCE FINDS Prepare, adopt, and implement the chance finds procedure, as specified in subproject specific ESMFs, as set in the updated ESMF.	Throughout Project Implementation	PIU/MoF
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN Update, adopt, and implement Stakeholder Engagement Plan (SEP) prepared for the parent project	SEP updated and adopted before AF Appraisal SEP implemented throughout the Project life	PIU/MoF
10.2	PROJECT GRIEVANCE MECHANISM Maintain and operate a grievance mechanism, as described in the SEP 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.	Throughout Project Implementation	PIU/MoF
The following actions are indicators for implementation readiness: <ol style="list-style-type: none"> 1. Full-time environment and full-time social specialist are on board at the PIU 2. SEP, ESMF and LMP for the parent project are updated for AF and adopted 			