

# The Republic of North Macedonia

## Building Effective, Transparent and Accountable Public Financial Management Institutions in North Macedonia (P176366)

**Draft**

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

**[Negotiation date]**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of North Macedonia (the Borrower) will implement the Building Effective, Transparent and Accountable Public Financial Management Institutions In North Macedonia Project (the Project), with the involvement of the The Ministry of Finance of the Republic of North Macedonia (MoF), Public Revenue Office, as set out in the Loan Agreement. The International Bank for Reconstruction and Development has agreed to provide financing for the Project, as set out in the referred agreement(s).
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. The ESCP is a part of the Loan Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement(s).
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, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, grievance management, and the environmental and social (E&S) instruments to be prepared or updated, consulted, adopted, disclosed, and implemented in accordance with the ESSs. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
4. As agreed by the World Bank and Borrower, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower through the Ministry of Finance of the Republic of North Macedonia, Public Revenue Office and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the Borrower. The Borrower shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
<b>MONITORING AND REPORTING</b>			
A	<p><b>REGULAR REPORTING</b></p> <p>Prepare and submit to the World 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 and implementation of E&amp;S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	<p>Submit six-monthly reports to the World Bank throughout the Project implementation, commencing after the Effective Date. Submit each report to the World Bank no later than 30 days after the end of each reporting period.</p>	<p><i>Project Implementation Unit (PIU) within the MoF, Public Revenue Office</i></p>
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>Promptly notify the World 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 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 World Bank’s request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the World Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the World Bank within a timeframe acceptable to the World Bank</p>	<p><i>PIU</i></p>
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>Establish and maintain a PIU with qualified staff and resources to support management of ESHS risks and impacts of the Project including a part time environmental and social specialist. Hire or appoint the part time environmental and social (ES) specialist at the PIU</p>	<p>PIU established and maintained – by the Project Effectiveness Date</p> <p>Part time ES specialist hired – within four months after the Project Effectiveness Date Thereafter this position is maintained -</p>	<p><i>MoF</i></p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
1.2	<p><b>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</b></p> <p>Prepare, adopt and implement the Project Operational Manual (POM), which will specify procedures to manage potential environmental and social risks, as they might be identified during the project implementation</p>	<p>throughout Project implementation.</p> <p>POM prepared and adopted by the Project Effectiveness Date</p> <p>POM implemented throughout the Project cycle</p>	PIU
1.3	<p><b>TECHNICAL ASSISTANCE</b></p> <p>Ensure that the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Project are carried out in accordance with terms of reference acceptable to the World Bank, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference and are consistent with the ESSs.</p>	Throughout Project implementation.	PIU
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p>Prepare, consult, adopt, disclose, and implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.</p>	Draft LMP disclosed before appraisal. Submit the updated LMP for the World Bank’s prior review and no objection, adopt, and disclose the LMP prior to project appraisal, and thereafter implement the LMP throughout Project implementation.	PIU
2.2	<p><b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b></p> <p>Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	Establish grievance mechanism prior engaging Project workers and thereafter maintain and operate it throughout Project implementation.	PIU
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</b></p>	Draft SEP disclosed before appraisal. Submit the updated SEP for the World	PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
	<p>Prepare, consult, adopt, disclose, and implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. This shall include measures to consult the E&amp;S instruments for the Project.</p>	<p>Bank’s prior review and no objection, adopt, and disclose the SEP prior to project appraisal, and thereafter implement the SEP throughout Project implementation.</p>	
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> <p>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.</p>	<p>Establish the grievance mechanism no later than 6 months after Project effectiveness and thereafter maintain and operate the mechanism throughout Project implementation.</p>	<p>PIU</p>
<b>CAPACITY SUPPORT</b>			
CS1	<p>Training provided for PIU staff, stakeholders on:</p> <ul style="list-style-type: none"> <li>• stakeholder mapping and engagement;</li> <li>• SEP implementation;</li> <li>• LMP oversight;</li> <li>• how to address SEA/SH complains;</li> <li>• SEA/SH awareness training;</li> <li>• Prevention of COVID 19 spread</li> </ul>	<p><i>Starting from the Effective Date, throughout Project Implementation, at minimum once a year.</i></p>	<p><i>PIU Environmental and Social Expert WB ESF specialists</i></p>