

**Government of the Republic of Albania
Albania National Water Supply and Sanitation
Sector Modernization Program**

Draft
**ENVIRONMENTAL and SOCIAL
COMMITMENT PLAN (ESCP)**

September 2020

Republic of Albania
Albania National Water Supply and Sanitation Sector Modernization Program (P170891)
ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

Introduction

1. The Republic of Albania through the Ministry of Infrastructure and Energy (MoIE) and the National Agency for Water Supply Wastewater and Waste Infrastructure (AKUM) are expected to implement the Operation Albania National Water Supply and Sanitation Sector Modernization Program (“the Operation”). In principle, implementation will be done through a Program Management Unit (PMU) at MoIE and a Program Coordinating Unit (PCU) at AKUM. The International Bank for Reconstruction and Development (“the Bank”) has agreed to provide financial support for the realization of the Operation. The Operation consists of a Program-for-Results Financing component (the “Program”) and an Investment Project Financing component (the “Project”).
2. The Environmental and Social Framework (ESF) of the World Bank was launched on October 1, 2018 and enables the World Bank and Borrowers to better manage environmental and social risks of projects and to improve development outcomes. The ESF applies to all new World Bank projects using Investment Project Financing (IPF) instrument. The ESF offers broad and systematic coverage of environmental and social risks. It makes important advances in areas such as transparency, non-discrimination, public participation, and accountability—including expanded roles for grievance mechanisms. It also brings the World Bank’s environmental and social protections into closer harmony with those of other development institutions. The present Environmental and Social Plan has been prepared to match the requirements under the ESF regarding [Environmental and Social Standards](#) (ESS) which apply to Borrowers, under Investment Project Financing.
3. **The proposed IPF component will provide financing for the following activities:** i) technical assistance and capacity building in support of the three results areas of the PforR Program¹; ii) strengthening of capacities within central level sector institutions for Program management, implementation and monitoring; and iii) Verification of DLIs, Program Audits, and Monitoring and Evaluation of results. The technical assistance and capacity-building activities to be funded by the IPF are additional and complementary to the activities and results to be undertaken and achieved by the implementing agencies under the PforR, and they will support and strengthen the achievement of the Program’s objectives and their sustainability.
4. The MoIE will ensure that the Project is implemented in accordance with the Environmental and Social Standards (ESSs). This Environmental and Social Commitment Plan (ESCP) sets out material measures and actions, any specific documents or plans, as well as the timing for each of these. Given that the

¹ Technical assistance needs for the implementation of the National WSS Strategy have been identified for an estimated cost of US\$10 million during the period 2019-2025

Project will exclusively fund technical assistance or capacity building (i.e through consultancies or service contracts), the environmental and social risks and potential impacts are relatively limited.

5. The MoIE will also comply with the provisions of other E&S documents required under the ESF and referred to in this ESCP, and/or in the Labor Management Plan (LMP), and Stakeholder Engagement Plan (SEP), and with the timelines specified in those documents.
6. The table below summarizes the measures and actions that are required, as well as the timing and responsible institution. Ultimately, the Republic of Albania is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by a Ministry, agency or unit (in this case, those referenced in paragraph 1).
7. Implementation of the measures and actions set out in this ESCP will be monitored and reported to the World Bank through the MoIE and AKUM as required by the ESCP 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.
8. As agreed by the World Bank and the Government of Albania, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, the MoIE will agree to the changes with the World Bank and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the WB and the MoIE. The MoIE will promptly disclose the updated ESCP.
9. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and potential impacts during Project implementation, the Government of Albania shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts, which may include risks and impacts that are relevant to the Project, such as environmental, social, health and safety impacts, labor influx, and gender-based violence.

Summary of the Measures and Actions to Mitigate the Project’s Potential Environmental and Social Risks and Impacts	Timeframe	Responsible Entity/ Authority
ESCP MONITORING AND REPORTING		
<p>A REGULAR REPORTING</p> <p>Prepare and submit to the WB 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&S documents required under the ESCP (Stakeholder Engagement and Labor Management Plans) and Project activities.</p>	<p><i>Every six months during the Project’s implementation in conjunction with the Project’s progress reports, or more frequent depending on the Progress review findings</i></p>	<p><i>MoIE, PMU</i></p> <p><i>Funding from the Project budget</i></p>
<p>B INCIDENTS AND ACCIDENTS NOTIFICATION:</p> <p>Notify within 24 hours of its occurrence any incident or accident related to the Project or that has an impact on it, and that has or could have a significant adverse effect on the environment, the affected communities, the public, or the workers included, for example, occupational accidents that could result in serious injury, minors, injuries, falls, vehicle accidents, larger spills of chemicals, oils, fuels, etc.</p> <p>The MoIE will provide report in form and substance satisfactory to the Bank not later than 15 calendar days after the occurrence of the incident. The report will provide sufficient detail regarding the incident or accident, indicating immediate measures taken to address it and include any information provided by any Contractor/Subcontractor or supervising engineer. Incident and accidents reporting requirements will be incorporated into the project implementation and procedures manuals.</p>	<p><i>Any incident or accident shall be registered immediately and will be reported to the Task Team Leader of the Bank within 48 hours</i></p>	<p><i>AKUM, PCU</i></p> <p><i>Funding from the Project budget.</i></p>

Summary of the Measures and Actions to Mitigate the Project's Potential Environmental and Social Risks and Impacts		Timeframe	Responsible Entity/ Authority
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish an organizational structure with qualified staff to support the management of environmental and social risks of the PforR Program and IPF Project. At least two Specialists (Environment and Social) are required to be engaged within the Program Coordinating Unit (PCU) at AKUM and consultants should be available to provide permanent support and TA to AKUM staff on these aspects.</p>	<p><i>Environmental and Social Specialists shall be hired within three months of effectiveness or commencement of first PforR Program works. In the meantime, MoIE and AKUM should have access to expert advice from qualified environmental and social consultants.</i></p>	<p><i>MoIE, PMU and AKUM (PCU)</i></p> <p><i>Funding from IPF</i></p>
1.2	<p>DEVELOPMENT OF TORs FOR STUDIES</p> <p>Prepare TORs for the studies, including feasibility studies, in a manner that ensures that relevant environmental and social issues are considered in conducting the studies and are consistent with the ESF.</p> <p><i>Environmental and social specialists must assist Water and Sanitation Utilities (WSUs) to make sure that TORs for studies include relevant E&S requirements and ESF considerations and will be included in their studies.</i></p>	<p><i>Throughout Project Implementation</i></p>	<p><i>MoIE, AKUM, PMU, PCU</i></p> <p><i>WSUs</i></p> <p><i>Municipalities</i></p> <p><i>Funding from the Project budget</i></p>
1.3	<p>DEVELOPMENT OF TORs FOR METHODOLOGIES</p> <p>Prepare TORs methodologies and plans that will ensure that the planning process includes adequate assessment of environmental and social aspects and that the advice provided through the TA for addressing those aspects is consistent with the ESF.</p> <p><i>Environmental and social specialists must assist WSUs to adopt the ESF principles in their practices.</i></p>	<p><i>Throughout Project Implementation</i></p>	<p><i>MoIE, AKUM, PMU, PCU</i></p> <p><i>Funding from the Project budget</i></p>

Summary of the Measures and Actions to Mitigate the Project’s Potential Environmental and Social Risks and Impacts		Timeframe	Responsible Entity/ Authority
1.4	<p>MANAGEMENT TOOLS AND INSTRUMENTS</p> <p>Instruments for the IPF component under World Bank Environmental and Social Framework (ESF)</p> <ul style="list-style-type: none"> • Environment and Social Commitment Plan (ESCP); • Labor Management Procedure (LMP); and • Stakeholder Engagement Plan (SEP) 	<p><i>Disclosed and consulted prior to Appraisal and will be applicable throughout project implementation.</i></p>	<p><i>MOIE, AKUM</i></p> <p><i>Framework documents ESCP, SEP and LMP should be implemented applicable to by MoIE, and AKUM and any other entity beneficiary of IPF Project activities (Albanian Water and Wastewater Services Regulatory Authority -ERRU- and respective , Shukalb, WSUs, municipalities, etc.).</i></p> <p><i>Funding from Project funds, MoIE funds and municipal funds.</i></p>
1.5	<p>MANAGEMENT OF CONTRACTORS</p> <p>MoIE will develop and implement procedures for managing Contractors and subcontractors to incorporate the obligation of preparing an Environmental Health and Safety (EHS) plan/Labor Management Procedures (LMP) into the contractual agreements with contractors and subcontractors for activities under IPF.</p>	<p><i>Prior to the preparation of procurement /bidding documents.</i></p> <p><i>Prior to signature of contracts</i></p> <p><i>Implementation of the management tools and instruments required throughout Project implementation</i></p>	<p><i>MoIE</i></p> <p><i>AKUM (in collaboration with the municipalities)</i></p>
1.6	<p>REPORTING TO WB</p> <p>MoIE will submit semiannual Environmental and social performance reports to the World Bank on IPF implementation, and how the implementation of proposed environmental and social measures has been applied.</p>	<p><i>Semi-annual</i></p> <p><i>Throughout Project Implementation</i></p>	<p><i>MoIE</i></p> <p><i>Funding from Project Funds</i></p>

Summary of the Measures and Actions to Mitigate the Project’s Potential Environmental and Social Risks and Impacts		Timeframe	Responsible Entity/ Authority
ESS 2: LABOR AND WORKING CONDITIONS This ESS is applicable to activities financed under the IPF			
2.1	LABOR MANAGEMENT PROCEDURES Develop maintain and implement, throughout Project implementation, labor management procedures consistent with national legislation and ESS2, and ensure they are available to Project workers ² and all sub-contractors engaged. The Labor management procedures (LMP) will address all issues identified in ESS2, including the applicable requirements regarding non-discrimination and equal opportunity.	<i>Prior to performing work</i> <i>LMP to be applied throughout Project implementation</i>	MoIE AKUM Municipalities/Contractors Any other entity implementing IPF activities Funding from the Project budget
2.2	OHS MEASURES Develop and implement occupational health and safety measures (OHS), including emergency preparedness and response measures, Project workers training to heighten awareness of possible risks (PPE, first aid, firefighting equipment, etc.), injuries and to mitigate impacts on local communities.	<i>Contractual obligation</i> <i>Maintained throughout Project implementation</i> <i>OHS measures should be finalized before commencement of IPF activities at any of the sites.</i> <i>LMP to be applied throughout Project implementation</i>	MoIE AKUM Municipalities/Contractors Any other entity implementing IPF activities Funding from Project budget

² The term “project worker” refers to: (a) people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers); (c) people employed or engaged by the Borrower’s primary suppliers (primary supply workers); and (d) people employed or engaged in providing community labor (community workers). ESS2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers.

Summary of the Measures and Actions to Mitigate the Project’s Potential Environmental and Social Risks and Impacts	Timeframe	Responsible Entity/ Authority
<p>2.3 GRIEVANCE MECHANISM FOR PROJECT WORKERS Develop and maintain a grievance mechanism for any Project-related labor and employment matters, easily accessible and promptly disclosed to Project workers, in line with ESS2 and labor laws in Albania.</p>	<p><i>Mechanism is expected to be operational one month after the effectiveness of the Project and information about it is disseminated to employees and it should be maintained throughout the whole period of Project implementation.</i></p> <p><i>For specific contracts, the mechanism will be available throughout duration of contract</i></p>	<p><i>MoIE AKUM Funding from Project budget</i></p>
<p>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT [the relevance of ESS3 is established during the ESA process. ESS3 may require the adoption of specific measures to cover energy, water and raw materials use, management of air pollution, hazardous and nonhazardous wastes, chemicals and hazardous materials and pesticides. Depending on the project, these measures may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS3-related measures are covered under an existing document or as stand-alone actions. See examples below].</p>		
<p>Not relevant to the project, IPF will finance TA only</p>		
<p>ESS 4: COMMUNITY HEALTH AND SAFETY [the relevance of ESS4 is established during the ESA process. As with ESS3, ESS4 may require the adoption of specific measures that may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS4-related measures are covered under an existing document or as stand-alone actions. See examples below].</p>		
<p>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT [the relevance of ESS5 is established during the ESA process. If during Project preparation, it is determined that resettlement documents need to be prepared, this should be reflected in the ESCP. See examples below]</p>		
<p>Not relevant to the project</p>		
<p>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES [the relevance of ESS6 is established during the ESA process. As with other ESSs, ESS6 may require the adoption of specific measures that may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS6-related measures are covered under an existing document or as stand-alone actions. See examples below].</p>		

	Not relevant to the project		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES [See examples of possible actions below, if determined that ESS7 is relevant].			
	Not relevant to the project		
ESS 8: CULTURAL HERITAGE [the relevance of ESS6 is established during the ESA process. As with other ESSs, ESS6 may require the adoption of specific measures that may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS8-related measures are covered under an existing document or as stand-alone actions. See examples below].			
	Not relevant to the project		
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs). See below a couple of examples of actions that should be considered when FIs are involved.]			
	Not relevant to the project		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Prepare and disclose the Stakeholder Engagement Plan (SEP). Implement the SEP. The SEP may be amended and updated (and redisclosed) as needed during Project implementation.	<i>Prior to commencement of activities</i> <i>Throughout Project Implementation</i> <i>To be completed not later than Project Appraisal</i>	<i>MoIE and AKUM</i> <i>Funding from the Project Budget</i>
10.2	PROJECT GRIEVANCE MECHANISM: Develop and implement a grievance mechanism for the Project. The SEP includes a commitment to communicate to stakeholders the establishment of the grievance mechanism to ensure that affected stakeholders are aware of its existence and familiar with the process for submitting grievances to such grievance mechanism.	<i>Must be in place one month after the effectiveness of the Project and maintained throughout Project implementation.</i> <i>Maintenance of grievance database.</i> <i>Report the summary of grievances annually</i>	<i>MoIE and AKUM</i> <i>Funding from the Project Budget</i>
10.3	SEP REPORTING Include results of the stakeholder engagement process in project monitoring reports as indicated in the SEP	<i>Semi-annually</i>	<i>MoIE and AKUM</i>
CAPACITY SUPPORT (TRAINING)			

CS1	AKUM should hire full time Environmental and Social Specialists (ESS) to support and provide TA for Program implementation.	Environmental and Social Specialists should be hired before commencement of first works under the PforR operation and or 3 months after Project effectiveness, whichever comes first. In the meantime, MoIE should have access to expert advice on environmental and social aspects.	<p><i>Within AKUM's PforR Program Coordinating Unit (PCU)</i></p> <p><i>Funding from Project budget</i></p>
CS2	<p>Relevant support and advisory to the staff of MoIE and AKUM and of other beneficiary institutions (including ERRU, SHUKALB, WSUs, Municipalities and others) on:</p> <ul style="list-style-type: none"> - SEP - LMP oversight - And other topics as relevant 	Throughout Project Implementation	<p><i>Funding from the Project budget</i></p>