

**REPUBLIC OF MOLDOVA**

**MINISTRY OF ENERGY**



**Sustainable Transition Through Energy  
Efficiency in Moldova (STEEM)  
(P500560)**

**Draft**

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

**March 2024**

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## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Moldova (the Borrower) will implement the Sustainable Transition Through Energy Efficiency in Moldova Project (the Project), with the involvement of the Ministry of Energy through its Moldova Energy Projects Implementation Unit (MEPIU), the National Center for Sustainable Energy (NCSE)<sup>1</sup> and Termoelectrica JSC (TE), as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the World Bank) has agreed to provide financing for the Project, as set out in the referred agreement.
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 World 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.
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, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement of the World Bank.
4. As agreed by the World Bank and the 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 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 represented by the Ministry of Energy. The Borrower shall promptly disclose the updated ESCP.

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*The Government of the Republic of Moldova approved the transformation of the Energy Efficiency Agency into the National Center for Sustainable Energy (NCSE), starting from January 01, 2024.*

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>MONITORING AND REPORTING</b>			
A	<p><b>REGULAR REPORTING</b></p> <p><b>Prepare and submit to the World Bank regular monitoring reports</b> 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); contractors management</p>	<p>Quarterly reports to the World Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the World Bank no later than 15 days after the end of each reporting period.</p>	<p><i>MEPIU</i></p>
B	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p><b>Promptly notify the World Bank of any incident or accident related to the Project</b> 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>MEPIU</i></p>
C	<p><b>CONTRACTORS MONTHLY REPORTS</b></p> <p><b>Require contractors and supervising firms to provide monthly monitoring reports on ESHS</b> performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the World Bank.</p>	<p>Submit the monthly reports to the World Bank as annexes to the reports to be submitted under action A above.</p>	<p><i>MEPIU</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><b>Maintain and strengthen the existing MEPIU organizational structure with qualified staff and resources</b> to support management of E&amp;S, including Occupational Health &amp; Safety (OHS), risks and impacts of the Project.</p>		<p><i>a. MEPIU</i> <i>b. MoE / MEPIU / NCSE / TE</i></p>

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>MEPIU organizational structure will recruit the Environment Social and Health and Safety specialist (s) dedicated to the project.</p> <p>Prepare, adopt and apply an Implementation Agreement between MoE, MEPIU, TE and NCSE for the proper and timely implementation of the Project.</p>	<p>a. Establish and maintain the MEPIUs as set out in the Loan Agreement. Hire or appoint the ESHS specialist (s) prior to the Effective Date, and thereafter maintain this organizational structure, including specified specialists, throughout Project implementation.</p> <p>b. Implementation agreement signed between MoE, MEPIU, TE and NCSE prior to Effective Date and maintained throughout the project implementation.</p>	
<p>1.2 <b>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</b></p> <p><b>a. Adopt and implement the Environmental and Social Management Framework (ESMF)</b> prepared for the Project, consistent with the World Bank Environmental and Social Framework (ESF), the relevant ESSs, and the Environmental, Health and Safety Guidelines (EHSG).</p> <p>The ESMF was prepared, consulted, reviewed by the Bank, and disclosed, prior to Project Appraisal.</p> <p><b>b. Prepare, consult, disclose, adopt and implement a site-specific ESMPs / ESMP Checklists for each subproject</b> under Component 1, consistent with the relevant ESSs and EHSGs.</p>	<p>a. Apply the ESMF throughout Project implementation.</p> <p>b. Prior to launching the bidding process for the respective works contracts. Once adopted, implement the respective ESMPs / ESMP Checklists throughout Project implementation</p>	<p><i>MEPIU</i></p>
<p>1.3 <b>MANAGEMENT OF CONTRACTORS</b></p> <p>Incorporate the relevant aspects of the ESCP including, inter alia, the relevant E&amp;S instruments such as the ESMF, the Labor Management Procedures, ESMPs / ESMP Checklists, and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms, in a manner acceptable to the World Bank.</p>	<p>As part of the preparation of procurement documents and respective contracts.</p> <p>Supervise contractors throughout Project implementation.</p>	<p><i>MEPIU</i></p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Thereafter ensure that the contractors and supervising firms comply and cause subcontractors to comply with the ESHS specifications of their respective contracts.		
1.4	<p><b>TECHNICAL ASSISTANCE</b></p> <p>Ensure that consultancies, studies (including feasibility studies), 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 those activities comply with the Terms of Reference.</p>	Throughout Project implementations.	<i>MEPIU</i>
1.5	<p><b>CONTINGENT EMERGENCY RESPONSE</b></p> <p><b>Ensure that the CERC Manual includes a description of the ESHS assessment and management arrangements in the CERC-ESMF Addendum</b> that will be prepared for the implementation of the CERC Component/Part, in accordance with the ESSs.</p> <p><b>Adopt any environmental and social (E&amp;S) instruments which may be required for activities under the CERC Component</b> of the Project, in accordance with the CERC Manual and CERC-ESMF Addendum and the ESSs, and thereafter implement the measures and actions required under said E&amp;S instruments, within the timeframes specified in said E&amp;S instruments.</p>	<p>a. Prepare and adopt the CERC Manual and CERC-ESMF Addendum in form and substance acceptable to the World Bank.</p> <p>b. Adopt any required E&amp;S instrument and include it as part of the respective bidding process, if applicable, and in any case, before the carrying out of the relevant Project activities for which the E&amp;S instrument is required. Implement the E&amp;S instruments in accordance with their terms, throughout Project implementation.</p>	<i>MoE / MEPIU</i>
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p><b>Adopt and implement the Labor Management Procedures (LMP) for the Project</b>, 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. The LMP was prepared, consulted, reviewed by the Bank, and disclosed, prior to Project Appraisal.</p>	Implement the LMP throughout Project implementation.	<i>MEPIU</i>



MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.1	<p><b>TRAFFIC AND ROAD SAFETY</b>                      Incorporate measures to assess and manage traffic and road safety risks as required in the site-specific ESMPs/ESMP Checklists, to be prepared under action 1.2 above.</p>	Same timeframe as for the adoption and implementation of the ESMPs / ESMP Checklists.	<i>MEPIU</i>
4.2	<p><b>COMMUNITY HEALTH AND SAFETY</b>                      Assess and manage specific risks and impacts to the community arising from Project activities including, inter alia, road and traffic safety, behavior of Project workers, service disruptions and building accessibility, particularly for vulnerable groups, and include mitigation measures in the ESMPs / ESMP Checklists to be prepared in accordance with the ESMF.</p>	Same timeframe as for the adoption and implementation of the ESMPs / ESMP Checklists.	<i>MEPIU</i>
4.3	<p><b>GBV AND SEA/ HS RISKS</b>                      Update ESMF to include Code of Conduct applicable to all employees consistent with World Bank Guidance Note Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works (Third Edition, October 2022).</p> <p>Thereafter ensure that subproject ESMPs / ESMP Checklists to be prepared under Components 1 activities include actions to prevent and mitigate risks of sexual exploitation and abuse and sexual harassment (SEA/SH) in line with ESMF and enforce their implementation.</p>	<p>Before Project Effective Date.</p> <p>During preparation of the site-specific ESMP / ESMP Checklists and procurement documents.</p>	<i>MEPIU</i>
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
	Not relevant.	Not relevant	<i>Not relevant</i>
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
	Not relevant.	Not relevant	<i>Not relevant</i>
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
	Not relevant.	Not relevant	<i>Not relevant</i>
<b>ESS 8: CULTURAL HERITAGE</b>			
	Not relevant.	Not relevant	<i>Not relevant</i>
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
	Not relevant.	Not relevant	<i>Not relevant</i>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</b></p> <p><b>Adopt and implement a Stakeholder Engagement Plan (SEP) for the Project</b>, 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. The SEP may be updated (and redisclosed) as needed during Project implementation.</p>	<p>Prepare, disclose, consult and adopt the SEP no later than effectiveness and thereafter implement the SEP throughout Project implementation.</p>	<p><i>MEPIU</i></p>
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p><b>Establish, publicize, maintain, and operate an accessible grievance mechanism</b>, 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 thirty (30) days after effectiveness and thereafter operate and maintain throughout Project implementation.</p>	<p><i>MEPIU</i></p>
<b>CAPACITY SUPPORT</b>			
CS 1	<p><b>Provide training, as needed</b>, and as specified in the Project Operational Manual (POM), to relevant MEPIUs' teams staff, stakeholders, communities, contractors on basic ESF and related environmental and social issues, including:</p> <ul style="list-style-type: none"> <li>Stakeholder engagement and grievance mechanisms</li> <li>OHS, including on emergency prevention and preparedness and response arrangements to emergency situations.</li> <li>Environmental and social assessments</li> <li>Labor influx, community health and safety</li> </ul>	<p>No later than thirty (30) days after the Effective Date.</p> <p>During Project implementation as required. For project workers, the training modules shall be provided once site specific contracts are awarded and prior to start implementation of the relevant activities.</p>	<p><i>MEPIU</i></p>



MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> <li>• Labor working conditions and associated monitoring</li> <li>• SEA/SH awareness and Codes of Conduct</li> <li>• Monitoring and reporting, and any other relevant topics, as specified in the POM.</li> <li>• Community capacity building to heighten awareness of risks and to mitigate impacts as outlined in the SEP.</li> <li>• ESHS monitoring and reporting; and</li> <li>• Any other relevant topics.</li> </ul>		