

**Ministry of Finance/Ministry of Economy and
Innovation**

**Western Balkans Trade and Transport
Facilitation 2.0 (P514680)
Phase II - Albania**

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

Draft for Appraisal

April 2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Ministry of Finance (the Borrower) will implement the Western Balkans Trade and Transport Facilitation 2.0 Project (the Project), through the Ministry of Economy and Innovation (MoEI), as set out in the Loan Agreement (the Agreement). The International Bank for Reconstruction and Development (the Bank), has agreed to provide the financing for the Project, as set out in 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 Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the 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, 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 Agreement, 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's Representative specified in the Agreement. 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	<p>ORGANIZATIONAL STRUCTURE</p> <p>Engage environmental and social (E&S) specialist(s) within the existing Project Implementation Unit (PIU) of the TTFP 1.0 Project to manage environmental, social, health, and safety (ESHS) risks and impacts, and to support the implementation of the Stakeholder Engagement Plan (SEP) and the grievance mechanism (GM), in accordance with the Environmental and Social Framework (ESF).</p>	Retain the E&S specialist hired under the TTFP 1.0 project throughout implementation of TTFP 2.0.	Ministry of Economy and Innovation (MoEI)
B	<p>CAPACITY BUILDING PLAN/MEASURES</p> <p>If required, prepare and implement the following capacity building measures:</p> <ul style="list-style-type: none"> • Provide training to the PIU staff and other relevant project workers, as applicable, on environmental and social risk assessment and management, conducting effective and inclusive stakeholder and citizen engagement, and the implementation and monitoring of grievance mechanisms (GM), as well as any other necessary training. 	As needed throughout Project's life.	MoEI/PIU
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (E&S) performance of the Project. The reports shall include:</p> <ul style="list-style-type: none"> • Status of preparation and implementation of E&S documents required under the ESCP. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan (SEP). • Complaints submitted to the grievance mechanism (GM), the grievance log, and progress made in resolving them. • E&S performance of contractors and subcontractors as reported through monthly contractors' and supervision firms' reports. • Number and status of resolution of incidents and accidents reported under action E below. 	Submit bi-annual reports to the Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than 30 days after the end of each reporting period.	PIU
D	<p>CONTRACTORS' MONTHLY REPORTS</p>	Submit the monthly reports to the Bank as annexes to the reports to be submitted under action C above.	PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Require contractors and supervising firms to provide monthly monitoring reports on E&S performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Bank.		
E	<p>INCIDENTS AND ACCIDENTS</p> <p>Notify the Bank of any incident or accident relating 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 those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the Bank upon request.</p> <p>Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p>	<p>Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.</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>	MoEI/PIU
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <p>1. Prepare and implement an Environmental and Social Management Framework (ESMF) for the Project, consistent with the relevant ESSs.</p> <p>2. Prepare and implement site-specific Environmental and Social Management Plans (ESMPs), as set out in the ESMF, consistent with the relevant ESSs.</p>	<p>1. Prepare, disclose and consult the ESMF within 30 days of effectiveness, and thereafter implement the ESMF throughout Project implementation.</p> <p>2. Prepare the ESMPs and incorporate the ESMPs as part of the respective bidding documents for the respective Project activity prior to the carrying out of the Project activity that requires the preparation of such ESMP. Once finalized, implement the respective ESMPs throughout Project implementation.</p>	PIU
1.2	MANAGEMENT OF CONTRACTORS	As part of the preparation of procurement documents and respective contracts.	PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Incorporate the relevant aspects of the ESCP, including, inter alia, the Labor Management Procedures, code of conduct (CoC), OHS requirements, and workers' grievance mechanism (GM) 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.	Supervise contractors throughout Project implementation. Copies of relevant contracts provided to the Bank upon request.	
1.3	TECHNICAL ASSISTANCE Carry out the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Project in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs. Thereafter prepare and finalize the outputs of such activities in compliance with the terms of reference.	Throughout Project implementation.	MoEI/PIU
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES Prepare and implement the Labor Management Procedures (LMP) for the Project as part of the ESMF. The LMP will include, 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.	Same timeframe as for the preparation and implementation of the ESMF.	PIU
2.2	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT MEASURES Require contractors and subcontractors to prepare and implement OHS Management Measures or Protocol in accordance with ESMF.	Describe the OHS Management Measures in ESMF. Implement the procedures throughout Project implementation.	PIU
2.3	GRIEVANCE MECHANISM FOR PROJECT WORKERS Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.	Establish grievance mechanism prior engaging Project workers and thereafter maintain and operate it throughout Project implementation.	MoEI/PIU
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
3.1	<p>WASTE MANAGEMENT</p> <p>Prepare and implement a Waste Management Plan (WMP), as part of the ESMP(s) prepared for the Project, to manage hazardous and non-hazardous wastes, consistent with ESS3 and national E&S standards.</p>	Prepare the WMP as part of site specific ESMP prior to launch the bidding for the construction/rehabilitation works and thereafter implement the WMP throughout Project implementation.	PIU
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>Incorporate resource efficiency and pollution prevention and management measures in the ESMP(s) to be prepared under action 1.1 above.</p>	Prior to launch of bidding documents for any component that requires the preparation of such ESMP. Once finalized, implement the respective ESMP throughout Project implementation.	PIU
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>TRAFFIC AND ROAD SAFETY</p> <p>Incorporate measures to manage traffic and road safety risks as required in the site-specific ESMPs to be prepared under action 1.1 above.</p>	Same timeframe as for the preparation and implementation of the ESMPs.	PIU
4.2	<p>COMMUNITY HEALTH AND SAFETY</p> <p>Assess and manage specific risks and impacts to the community arising from Project activities, including, inter alia, behavior of Project workers, risks of labor influx, response to emergency situations, and include mitigation measures in the ESMPs to be prepared in accordance with the ESMF.</p>	Same timeframe as for the preparation and implementation of the ESMPs.	PIU
4.3	<p>SEA AND SH RISKS</p> <p>Despite SEA/SH risks being assessed as <i>Low</i>, prepare and implement SEA/SH prevention and mitigation measures as part of the ESMF, site-specific ESMPs, and workers' Code of Conduct incorporated in their contracts.</p>	Describe the SEA/SH prevention and mitigation measures in the ESMF, site-specific ESMPs, and workers' Code of Conduct. Implement the measures throughout Project implementation.	PIU
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
The standard is not relevant to the project. The project, as described, is focused on trade and transport facilitation within the finance, competitiveness, and innovation sector, and there is no indication of activities that would require land acquisition, or may result in physical or economic displacement.			
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
The standard is not relevant because the nature of the project activities will take place within existing BCPs compounds and national road network black spots and will not cause any adverse impacts to biodiversity and/or natural resources.			
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
The standard is not relevant as the project activities do not affect any distinct ethnic, social and/or cultural groups as covered by ESS7			
ESS 8: CULTURAL HERITAGE			
The standard may not be relevant as BCP buildings are not considered constructions belonging to cultural heritage. However, construction activities could reveal objects that are of cultural value to local communities and/or of national importance. Therefore, all ESMFs will include the Chance Find Procedures as a precautionary measure regardless of the site having known or unknown cultural heritage or physical cultural resources and the relevance of this standard will be ascertained during activities preparation when additional information becomes available.			
8.1	CHANCE FINDS Describe and implement the chance finds procedures as part of the ESMF of the Project.	Describe the chance find procedures in the ESMF. Implement the procedures throughout Project implementation.	PIU
ESS 9: FINANCIAL INTERMEDIARIES			
This standard is not relevant for the Project.			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN 1. Prepare, disclose, update 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. 2. Report on the implementation of the SEP.	1. Prepare the SEP prior to appraisal. Update the SEP no later than 30 days after Project effectiveness, and thereafter implement the SEP throughout Project implementation. 2. As part of the bi-annual reports to the Bank required under action C above.	PIU
10.2	PROJECT GRIEVANCE MECHANISM 1. Establish, publicize, maintain, and operate an accessible grievance mechanism (GM), 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.	1. Maintain the grievance mechanism established under the TTFP 1.0 and operate it throughout Project implementation. 2. As part of the bi-annual reports to the Bank required under action C above.	PIU

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<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>2. Report on project-level GM implementation.</p>		

INDICATORS FOR IMPLEMENTATION READINESS

The following actions are indicators for implementation readiness:

A, 1.1, 2.1, 2.3, 10.1, 10.2