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1 BACKGROUND & PURPOSE OF DOCUMENT

The European Bank for Reconstruction and Development (EBRD) is considering extending financing to the Republic of Macedonia Public Enterprise for State Roads (PESR) for the construction of four road projects in Republic of Macedonia. Citrus Partners LLP has been engaged to provide Environmental and Social Due Diligence (ESDD) support to EBRD on the projects.

One project under consideration is the proposed development of the A3 OHRID – PESHTANI ROAD, which has been categorised as Category A under EBRD's 2008 Environmental and Social Policy (ESP). Environmental and social documentation prepared on the project includes:

- Strategic Environmental Assessment, December 2013 (available only in Macedonian);
- *[Draft]* Study on Environmental Impact Assessment (EIA) v1, March 2014;
- Stakeholder Engagement Plan, disclosed in October 2014.

Citrus was commissioned to review the available environmental and social documentation, and to provide recommendations to bring the project documentation into compliance with EBRD's Environmental and Social Policy and Performance Requirements.

Under the ESDD Terms of Reference (ToR) Citrus were required to review and amend the Environmental & Social Management Plan (ESMP) prepared by the Client in tracked changes and, if appropriate, prepare a separate ESAP for issues that have not been adequately addressed in the project documentation for the road to ensure that the Project is structured to comply with the Banks PRs.

Citrus reviewed the draft ESMP in the draft Study on the EIA and comments were provided within the Gap Analysis and recommendations in the final EIA. However, the final ESIA containing the final ESMP has not been provided within the timeframe of the ESDD, furthermore due to the potential gaps with the project documentation an Environmental & Social Action Plan has been decided to be required at this stage. Therefore, Citrus have prepared this ESAP for the project preparation phase which encompasses all of the actions identified during the ESDD that need to be addressed during the further development of the project by PESR in order to meet the EBRD requirements. This ESAP must be updated post-finalisation of the ESIA for the Construction and Operational phase of the Project.

2 ENVIRONMENTAL & SOCIAL ACTION PLAN

Table 2-1 contains an Environmental & Social Action Plan (ESAP) for the project preparation phase of the Project. This is submitted to EBRD for onwards agreement and finalisation with PESR.

Table 2-1 ESAP for Project Preparation Phase

No	EBRD PR/ legislative requirement/ best practice	Environmental/Social Action	Environmental/ Social Risks/Benefits	Investment Needs/ Resources/ Responsibility	Target Date by year end/ Project Phase	Target/ evaluation criteria for successful implementation
PROJECT PLANNING & PROCUREMENT PHASE						
1	PR1: Environmental and Social Appraisal and Management	<p>Preparation & Disclosure of ESIA:</p> <p>The ESIA¹ shall be developed to meet the national regulatory requirements, EBRD's Performance Requirements and in line with recommendations provided to PESR during EBRD's Environmental & Social Due-Diligence (<i>i.e. recommendations provided by Citrus with Gap Analysis Report</i>).</p> <p>The ESIA needs to specifically address:</p> <ul style="list-style-type: none"> ■ Addressing the provisions and requirements contained within the Galicica National Park new Management Plan Strategic Environmental Assessment (SEA) including associated with the re-zoning (<i>when SEA approved</i>). ■ Assessment of impacts on and protection measures for water resources and impact of run-off from the project. ■ Assessment of impacts on and protection measures for biodiversity and Galicica National Park. ■ Assessment of impacts on and protection measures for landscape (<i>see below</i>). ■ Assessment of impacts on and protection measures for cultural heritage (<i>see below</i>). ■ Assessment of impacts on and protection measures for the UNESCO World Heritage Site and the Man & Biosphere Reserve. <p>The ESIA shall be disclosed and consultation undertaken with</p>	All environmental and social issues and impacts are appropriately addressed.	<p>Responsibility: PESR (and ESIA Consultant)</p> <p>Resource: PESR In house, ESIA Consultant resources</p>	<p>ESIA to be developed by Consultant and publicly disclosed by PESR for a minimum of 120 days prior to the EBRD Board consideration of the project.</p> <p>EBRD to review draft ESIA before disclosure and submission to national regulatory authority for approval.</p> <p>Regulatory approval required before construction commences. Plans must be in place to deliver protection/ mitigation measures</p>	<p>Draft ESIA reviewed by EBRD.</p> <p>ESIA approved by national regulatory authority.</p>

¹ Please note that in Macedonian legislation ESIA is referred as EIA (Environmental Impact Assessment)

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		stakeholders as required under SEP (<i>see below</i>).			contained within ESIA prior to Construction.	
2	PR1: Environmental and Social Appraisal and Management	<p>Review of Approved SEA for Galicica National Park Management Plan:</p> <p>PESR & ESIA consultants must review approved SEA for Galicica National Park Management Plan and incorporate relevant requirements/provisions within project planning, design and ESIA.</p>	All environmental and social issues and impacts are appropriately addressed. Strategic basis to project.	<p>Responsibility: PESR (and ESIA Consultant)</p> <p>Resources: PESR In-house/ESIA Consultant</p>	Prior to completion of draft ESIA.	Project design & ESIA includes relevant requirements and provisions from SEA.
3	PR1: Environmental and Social Appraisal and Management	<p>Preparation & Disclosure of Non-Technical Summary for ESIA:</p> <p>NTS must be prepared as part of the draft ESIA and approved by EBRD prior to disclosure. The NTS will be a concise, overarching stand-alone document which shall include, but not be limited to:</p> <ul style="list-style-type: none"> ■ Appropriate Project description. ■ Maps showing the proposed alignment; ■ Assessment of alternative alignments and details of how the public were consulted during the route selection; ■ A summary of the potential benefits of the Project; ■ Information on the potentially significant adverse environmental and social impacts; ■ Proposed mitigation measures and monitoring plans; ■ Public consultation activities and contact information; ■ A statement of the national EIA process's compliance with the EIA Directive, including: how the project was screened by the national authorities; which EIA procedure was followed; how the public participation process was carried out; and potential cumulative impacts and area of influence issues (e.g. raw material sourcing); and whether any impact on nature conservation areas has been identified. 	All environmental and social issues and impacts are appropriately addressed.	<p>Responsibility: PESR (and ESIA Consultant)</p> <p>Resource: PESR In house, ESIA Consultant resources</p>	<p>NTS to be developed by PESR/ESIA Consultant and disclosed by PESR.</p> <p>EBRD to review draft NTS before disclosure and submission to national regulatory authority for approval.</p> <p>NTS required as part of ESIA disclosure package</p>	<p>NTS approved by EBRD.</p> <p>ESIA approved by national regulatory authority.</p>

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4	PR1: Environmental and Social Appraisal and Management	<p>Environmental & Social Management System:</p> <p>Establish and implement an Environmental & Social Management System for the construction and operation of the road in line with approved ESIA and good international practice which should include (but not be limited to):</p> <p>Construction Environmental & Social Management Plan (CESMP) & Operational ESMP (OESMP) (which should include mitigation for specific issues including; minimising disturbance to protected areas, flora & fauna, dust/noise, groundwater & surface water, community relations, access, constraints, buffer zones, no-go zones, seasonal working restrictions in specific areas, etc). Plan should include specific responsibilities.</p> <p>Other Plans listed in the EIA documentation should be developed, and incorporated into the CESMP & OESMP as appropriate.</p>	All environmental and social issues and impacts are appropriately addressed.	<p>Responsibility: PESR to oversee. Some plans to be developed by others (e.g. contractor, ecologists, etc)</p> <p>Resource: PESR In house, Contractor may need to designate EHSS resources</p>	<p>CESMP to be developed by Contractor before construction and implemented during Construction Phase.</p> <p>OESMP to be developed before road opens and implemented during operation, implementation will continue through operation phase</p>	<p>Management Plans documented.</p> <p>Provide updates on implementation in AESR to EBRD.</p>
5	PR1: Environmental and Social Appraisal and Management	<p>Monitoring Plans:</p> <p>Environmental and social monitoring measures to be developed as part of the project Environmental & Social Management System. CESMP & OESMP should include specific responsibilities for monitoring.</p> <p>PESR will insert the relevant ESMP requirements into the tender and procurement documents in order to have the Contractor/Maintenance Company implement them. PESR to ensure that Monitoring Plans are implemented, and that the responsibility for each area of monitoring is clear, noting that the Contractor is likely to have crucial role in its implementation.</p> <p>The ESMS should include the public disclosure of a summary of the key monitoring results. The monitoring plans must describe community relations monitoring parameters and processes, particularly in relation to management of issues raised by the local community.</p>	All environmental and social effects are appropriately monitored.	<p>Responsibility: PESR to oversee and ensure actioned. Contractor is responsible to organise construction phase monitoring. Some actions may be contracted out to third parties</p> <p>Resource: As offered by the Contractor in the BoQ. PESR for Operational Phase or procured to third party by PESR.</p>	<p>Construction Phase Monitoring Plans before construction begins.</p> <p>Operational Phase monitoring plans before operation.</p>	<p>Documented Monitoring Plans exist and updated.</p> <p>Provide updates on implementation in AESR to EBRD.</p>

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6	PR1: Environmental and Social Appraisal and Management	<p>Obtain & Comply with Permits & Approvals:</p> <p>Obtain, comply and maintain all necessary environmental, social and health and safety permits/approvals for the works, including all necessary Construction & Operational Permits. Include approvals for quarries, borrow pits, waste rock disposal sites and solid waste disposal.</p> <p>Include all necessary licenses and approvals for works within the Galicica National Park, as required.</p>	Compliance with national and EBRD requirements.	<p>Responsibility: PESR and Contractor. PESR to ensure that Contractor gains all construction – related approvals.</p> <p>Resource: Designated PESR in-house resources, and Contractor resources.</p>	Obtain and comply as required pre-construction and as required during construction and operation.	<p>Permit approvals from Competent Authorities.</p> <p>Report in AESR to EBRD.</p>
7	PR2: Labour and Working Conditions	<p>Occupational Health & Safety:</p> <p>Contractor to establish a Health & Safety Plan as part of an OHS management system in line with OHSAS 18001 and the IFC General EHS Guidelines (2007). The contractual conditions are to ensure all sub-contractors are also required to follow the Health & Safety Plan and the OHS management system.</p>	Improved health and safety performance and safe working environment for workforce (permanent & contract/ contractor & sub-contractor).	<p>Responsibility: Contractor</p> <p>Resources: Designated EHSS Manager</p>	Implemented during Construction Phase; before construction commences Plan must be approved.	<p>Documented Health & Safety Plan</p> <p>Provide updates in AESR on implementation to EBRD.</p>
8	PR2: Labour and Working Conditions	<p>HR Policies:</p> <p>HR Policies must be prepared and implemented by the Contractor (during construction) and PESR (construction & operation): these shall include provisions to prohibit use of child labour and forced labour, and will include rights for non-employee workers (in line with ILO conventions and EBRD requirements).</p> <p>The Policies will include a grievance mechanism for workers (& their organisations if applicable e.g. sub-contractors) in-line with PR2 Para.18) to enable individuals/groups to raise reasonable workplace concerns.</p> <p>The Policies will include a Local Workforce Recruitment & Management Plan which addresses i) advertising all jobs locally, ii) encouraging and attracting local workforce to apply for jobs, iii) of prioritising the hire of local workforce where reasonable and practical andiv) equal opportunities.</p>	<p>Effective HR & workforce management.</p> <p>Improved employer-worker relationship.</p> <p>Local economic benefits.</p>	<p>Responsibility: Contractor (Construction)</p> <p>PESR (all Phases)</p> <p>Resource: HR resources</p>	By Construction commencement	<p>Documented and implemented HR policies and Grievance Mechanism.</p> <p>Report in AESR to EBRD.</p>

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9	PR2: Labour and Working Conditions	<p>Procurement:</p> <p>Contracting method and tender documents for the construction of the road to meet EBRD's procurement policies (i.e. tender documents based on contracts should include PR2 provisions).</p>	Compliance with EBRD requirements on standards and conditions for workforce.	<p>Responsibility: PESR</p> <p>Resource: PESR in-house procurement resources</p>	Pre-Construction	PR2 compliant tender/contracts established. Provide updates on implementation in AESR to EBRD.
10	PR4: Community Health, Safety and Security	<p>Road Safety Audit:</p> <p>Design will be subject to a Road Safety Audit according to the provisions of EU Directive 2008/96/EC, with mandatory inclusion of economically viable safety improvements into the design phase. Road Safety Audit will be conducted by certified auditor. Where the road safety auditors recommendations are not implemented, the reason why each recommendation has been declined needs to be confirmed to the Bank.</p> <p>A road safety inspection shall be carried out on roads once operational, and if appropriate action plans developed for low cost remedial road safety measures.</p> <p>Include a compilation of accident statistics for existing road in previous 5-10 years to allow future comparisons to be made.</p>	Reduction of accident risk.	<p>Responsibility: PESR/ Consultant</p> <p>EBRD TC Funds</p>	Design Phase (Pre-Construction)	<p>Documented Road Safety Audit .</p> <p>Report in AESR to EBRD.</p>
11	PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement	<p>Preparation, Disclosure & Implementation of Resettlement Action Plan (RAP) or Livelihoods Restoration Framework (LRF):</p> <p>Develop a RAP or LRF to meet the requirements of PR5, using information from the socio-economic survey on local community use of lands, and likely livelihood impacts, and once consultations have been held with local land owners and users. Use the results of the socio-economic survey to confirm whether documents or consultations on land acquisition and livelihood restoration need to be provided in additional languages.</p> <p>Include all commitments as set out in PR5.</p>	<p>Compliance with EBRD Requirements/National requirements.</p> <p>Compensation for economic displacement and livelihood impacts related to land acquisition and access restrictions.</p>	<p>Responsibility: PESR</p> <p>Resources: Designated internal resources, or consultants.</p>	Before Construction Phase	<p>Documented and implemented LRF.</p> <p>Submitted to EBRD for review when prepared.</p> <p>Report in AESR to EBRD.</p>
12	PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement	<p>Consultations on Land Acquisition</p> <p>Hold consultations with affected parties regarding compensation for land expropriation, loss of access and restoration of livelihoods, in accordance with the SEP and RAP/LRF.</p>	Managing of risks and impacts on affected communities.	<p>Responsibility: PESR</p> <p>Resources: internal PESR resources.</p>	Before construction phase	Information disseminated, documented in updated SEP. Report in AESR to EBRD.

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13	PR6: Biodiversity Conservation and Sustainable Management of Living Resources EU Habitats Directive	<p>Assessment of Impacts on Galicica National Park and designations therein:</p> <p>The ESIA and project preparation process should fully assess and consult on the potential impacts on biodiversity associated with the Galicica National Park and UNESCO Man & Biosphere reserve. Assessment to include mapping of natural habitats, identification of any critical habitat within area of influence and assessment of impacts on natural and critical habitats in compliance with PR 6.</p>	Ensuring no net loss of natural habitats and adequate protection of critical habitats.	<p>Responsibility: PESR and ESIA Consultant</p> <p>Resources: Adequate resources to be identified and allocated by PESR.</p>	To be completed as part of the ESIA.	<p>Documented assessment of impacts on biodiversity and habitats within ESIA which meets conditions of PR6, disclosed publicly. Results fed into design of ESMP and if required a Biodiversity Management Plan.</p> <p>ESIA to be submitted to EBRD for review prior to its disclosure.</p>
14	PR8: Cultural Heritage	<p>Preparation of Heritage Impact Assessment and Cultural Heritage Consultation and Protection Measures:</p> <p>Prepare as part of the ESIA a Heritage Impact Assessment. Consult with the Ministry of Culture regarding the heritage impacts and protection measures for the project.</p>	Minimising risks to cultural heritage	<p>Responsibility: PESR & ESIA Consultant/ Heritage Consultant</p> <p>Resources: Internal EHSS resources & ESIA Consultant/ Heritage Consultant</p>	Preparation & Consultation during project preparation phase	<p>Documented assessment of impacts on heritage within ESIA, disclosed publicly. Results fed into design of ESMP, if required.</p> <p>Heritage Impact Assessment within ESIA to be submitted to EBRD for review prior to its disclosure. Approvals from Ministry of Culture for Heritage Impact Assessment and Protection Measures.</p> <p>Report in AESR to EBRD.</p>
15	PR8: Cultural Heritage	<p>Protection of Landscape Features of Galicica National Park & UNESCO Designations:</p>	Minimising risks to landscape features and	Responsibility: PESR & ESIA	Project preparation	Documented assessment of impacts

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		<p>Ensure ESIA includes assessment of impacts on landscape features, this should follow accepted guidance for landscape assessment (e.g. IEMA Guidelines for Landscape and Visual Impact Assessment; May 2013).</p>	<p>designated sites within the National Park and area.</p>	<p>Consultant Resources: Internal EHSS resources & ESIA Consultant.</p>	<p>stage</p>	<p>on landscape within ESIA, disclosed publicly. Results fed into design of ESMP, if required. ESIA to be submitted to EBRD for review prior to its disclosure.</p>
16	<p>PR10: Information Disclosure and Stakeholder Engagement</p>	<p>Stakeholder Engagement and Disclosure of Project Information:</p> <p>Implement the SEP, and update as necessary. PESR to ensure that Contractor is involved in engagement with stakeholders and implements appropriate parts of SEP. When available, publicise ESIA disclosure, design information on road, including information on which access roads will be severed or blocked, either during construction or permanently at junctions. Include information on construction schedule. Information to be published in communities in project area.</p> <p>Actions to be implemented during the project preparation stage as contained within the SEP including relating to:</p> <ul style="list-style-type: none"> • Consultations Regarding National Park and UNESCO World Heritage Site and Man and Biosphere Reserve; • Transboundary Consultations; • Engagement with Vulnerable Groups; • Engagement with Women; • Engagement in the Albanian Language. <p>Appointment of Community Liaison Person (CLP): PESR will consider the appointment of a dedicated Community Liaison Person to coordinate the consultations with both local and statutory stakeholders.</p>	<p>Management of risks and impacts on affected communities.</p>	<p>Responsibility: PESR, Contractor Resources: Internal PESR resources/ PESR Community Liaison resources</p>	<p>Current SEP actions during project preparation phase before Construction Phase – continue during construction and operation.</p>	<p>Information disseminated, documented in updated SEP. Grievance Management system documented. Report in AESR to EBRD.</p>