



Montenegro: Construction of Bar-Boljare Highway - Environmental and Social Assessment

Gap Analysis & Disclosure Pack section Mateševo – Andrijevisa

NON-TECHNICAL SUMMARY

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Table of Contents

1	Introduction.....	2
1.1	Purpose of the Non – Technical Summary	2
1.2	Project Background and rationale.....	2
1.3	Project Manager and Implementation Unit	4
2	Legal and Policy framework.....	4
3	The Project	5
3.1	Project alternatives	5
3.2	Project description	1
4	Environmental and social impacts and mitigation measures	2
4.1	Environmental Impacts and relevant mitigation.....	2
4.2	Social impacts and mitigation measures.....	5
5	Disclosure and Communications and managing grievances	14
6	Environmental and social management and monitoring	15
6.1	Environmental and social management plan.....	15
6.2	Environmental and social monitoring	17

1 Introduction

1.1 Purpose of the Non – Technical Summary

This Non-Technical Summary (NTS) presents a summary of the main findings of the Environmental and Social Impact Assessment (ESIA) undertaken for the 23.5 km long Section Mateševó-Andrijevíca part of the Bar Boljare Highway (BBH). The ESIA has been prepared by a team of technical specialists in accordance with the statutory procedures of Montenegro and standards of the European Bank for Reconstruction and Development (EBRD).

The NTS presents a summary of the main findings of the ESIA and provides: a description of the site and surrounding context, project description, an outline of the reasonable routing alternatives considered and an indication of the main reasons for the final route selection. The aim of the NTS is to present the main findings in a clear and concise manner to assist the public in understanding what the significant environmental and social impacts during construction and operation are likely to be and key mitigation measures (as relevant).

1.2 Project Background and rationale

The Bar-Boljare Highway (BBH) in its length of 168 km, is a part of, the Trans European Motorway (TEM) branch route through Montenegro. BBH is part of the E-80 and E-65 routes, comprising SEETO Route 4 [Romanian border/Vatin – Belgrade (SER) – Podgorica (MNE) – Bar (MNE)]. The Highway connects the Adriatic Coast (Port of Bar) to the border of Serbia (Boljare) and with ports on the Danube (Corridor VII and Corridor X) and, ultimately, with the entire so-called Pan-European corridor network and integrate the TEN-T extension in the Western Balkans.

The development phases for the entire BBH are as follows:

- Section I: Smokovac–Mateševó
- Section II: Mateševó–Andrijevíca and the Smokovac–Tološi–Farmaci bypass;
- Section III: Andrijevíca–Boljare
- Section IV: Podgorica – Đurmani

The intention of Montenegro to construct the Bar – Boljare Highway was initiated back in 2001 by the Parliamentary decision to proceed with the development of the Spatial Plan (“Official Gazette of MNE” no. 45/01). The Spatial Plan of Montenegro up to 2020 was subsequently adopted in 2008 (“Official Gazette of MNE” no. 24/2008¹) reserving space by defining a dedicated corridor for the BBH. The objective of defining the corridor was to safeguard the space from other spatial demands and use (Spatial Plan, Pg.133). On October 19, 2023 the Government of MNE has determined the Draft Spatial plan of Montenegro up to the year 2040. After the disclosure, public insight, and consultation period, the final draft of the Spatial Plan was adopted and disclosed on January 29, 2024² by the Ministry of Spatial Planning, Urbanism and State Property. The Strategy of transport development in Montenegro (2019-2035) has included the completion of the Section “Mateševó - Andrijevíca” part of the Bar - Boljare Highway into the unified list of priority infrastructure projects³.

The section Mateševó–Andrijevíca, subject to the present ESIA disclosure dossier, is 23.5km long (14.% of the total length of the Bar - Boljare highway).

¹ <https://www.gov.me/dokumenta/c53c7c1d-1c2c-4c4d-b29c-9bd4aabce2b6>

² <https://www.gov.me/clanak/prostorni-plan-crne-gore>

³ file:///C:/Users/n.valcic/Downloads/Strategija+razvoja+saobra%C4%87aja+2019-2035+s+Akcionim+planom+2019-2020.pdf

The activities undertaken in preparation of the mandatory documentation for the Mateševu-Andrijevu Section, can be observed through two continuous development phases, without overlapping sequences.

The first phase, started by the General Design (Louis Berger SAS-Paris, Simm Engineering –Podgorica) in 2008, when three alignment alternative solutions were examined. The work continued in 2018 when the Government of Montenegro benefited from Technical assistance services (TA) for the preparation of the Preliminary Design and Social Impact Assessment (ESIA) supported through a Western Balkans Investment Framework (WBIF)⁴ Grant. Under the Scope of work of the said TA together with earlier efforts financed by the Government of Montenegro, the following studies were developed:

- Preliminary Design for the Section Mateševu-Andrijevu adopting Variant 3, approved by the State Review Committee (2022)
- National EIA for the Mateševu – Andrijevu section, (2024) for which the consent of the Environmental Protection Agency was given with the Decision 03-UP-652/28 dated May 14th, 2024, based on the above Preliminary Design.
- Preliminary ESIA for the Mateševu – Andrijevu, drafted under the WBIF, based on the approved Preliminary Design, inclusive of a LARF and SEP, submitted in July 2023, which was not disclosed for consultation..
- Preliminary ESIA prepared as a part of the Feasibility Study for the entire Bar-Boljare highway (2021).
- Strategic environmental impact assessment for Detailed spatial plan of Bar-Boljare highway (2008);

The first phase was dominated by inadequate stakeholder engagement and lack of participatory decision making of the local communities neglecting the need to avoid significant adverse social impacts.

The second phase started during the first half of 2024 and was marked by two determining factors:

- (1) the Intention of EBRD to financially support the Government of Montenegro through a loan which required assessment of compliance of the entire project activities with, inter alia, the Environmental and Social Policy of EBRD (2019) and the applicable Performance Requirements, and consequently
- (2) the decision of MONTEPUT to improve cooperation with local communities, primarily by addressing persistent concerns of three out of eight local settlements regarding the magnitude of physical displacement and severance of their spatial cohesion. To avoid and minimize impacts MONTEPUT explored a viable alternative to the alignment which was supported by the majority of participants during public meetings in September 2024 when the alternative alignment from the exit portal of Tunnel Trešnjevik to interchange Andrijevu was presented.

The overview of the current status of activities and documentation required to continue with development of the Section Mateševu-Andrijevu and planned schedule is summarized below:

- **Engineering design and Construction schedule:** the Preliminary Design, which includes preliminary routing and layout, was prepared in 2022 and 2024 (for the change in the alignment). The Detailed Design phase is expected to start in 2025 following the award of the Design and Build Contract. MONTEPUT foresees a time for completion of 60 months starting from the Commencement date (with additional 24 months Defect Notification Period). This procurement procedure is guided by EBRD Procurement guidelines utilizing the EBRD Standard Bidding Documents.

⁴ The Western Balkans Investment Framework is an EU initiative, uniting regional beneficiaries, international financial institutions, and bilateral donors to enhance the European perspective of the Western Balkans. Due to its collaborative nature in line with the 'Team Europe' approach, the WBIF has been identified as the main vehicle for the implementation of the ambitious Economic and Investment Plan for the Western Balkans.

- **Supervision over Design and Works:** MONTEPUT has published an invitation for Prequalification for selection of Supervision for preparation of Detailed Design and Construction Works for the Mateševu - Andrijevića Section. The Contract is expected to be awarded beginning of 2025.
- **Technical Assistance** - MONTEPUT has published an invitation for Prequalification for selection of a Consultant to support MONTEPUT in managing the Design and Works Contractor the Mateševu - Andrijevića Section. The Contract is expected to be awarded beginning of 2025.
- **Expropriation:** the Project will require private land rights and assets to be acquired through expropriation, with the Detailed Design confirming the exact project land needs and economic and physical displacement impacts, since additional avoidance and minimisation measures will be considered at micro locations. The Route change minimized land acquisition and physical displacement.
- **Civil Works:** Preparatory works are expected to commence mid-2025, while the Permanent works will commence after approval of the Detailed Design by the Review Committee, the Road Safety Audit and after the Construction permit is obtained, (expected in late 2026/early 2027). The Detailed Design will be developed in sub-sections each of which will have a separate Construction permit to allow phased construction.

1.3 Project Manager and Implementation Unit

The Project Beneficiary is Government of Montenegro represented by MONTEPUT a State-owned Road operating company who will be the Project Manager.

MONTEPUT will be managing all aspects of the Project and act as the implementing entity, and Employer under the Design and build and two Consultancy Contracts i.e. Supervision of design and works and the Technical Support.

The key stakeholders are:

- Ministry of Capital Investments: Primary beneficiary of the assignment with responsibility for approving assignment outputs in conjunction with the lead IFI and other key stakeholders.
- Monteput d.o.o.: A state-owned limited liability MCI responsible for construction supervision, design supervision, preparation of project documentation, preparation of tender documents etc. for the development and construction of land transport facilities in Montenegro.
- European Bank for Reconstruction and Development (EBRD): The lead IFI and potential co-financer of subsequent construction investment
- Ministry of Finance: Representing the Government of Montenegro as the Borrower towards EBRD
- Municipality of Kolašin
- Municipality of Andrijevića
- Affected parties (Settlements, land owners and local communities, road users, businesses, vulnerable groups)
- Other interested parties (project implementing agencies, project partners, service providers, host communities, civil society organizations, NGOs, academic institutions)

2 Legal and Policy framework

The ESIA has been elaborated according to the Montenegrin Law on Environmental Impact Assessment (Official Gazette of the Republic of Montenegro 75/18) and considering other relevant national legislation

(regarding air quality, noise, nature protection, waters, waste, expropriation, spatial development. Building construction etc.), as set by the Montenegrin Law and the EU directives.

In addition, the Project is expected to be designed, constructed and operated in full accordance with the EBRD's Environmental and Social Policy (2019) and Performance Requirements:

- PR 1: Assessment and Management of Environmental and Social Risks and Impacts
- PR 2: Labour and working conditions
- PR 3: Resource Efficiency and Pollution Prevention and Control
- PR 4: Health, Safety and Security
- PR 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- PR 7: Indigenous Peoples
- PR 8: Cultural Heritage
- PR 9: Financial Intermediaries
- PR 10: Information Disclosure and Stakeholder Engagement

3 The Project

3.1 Project alternatives

Several variants were examined for the project, including the “do-nothing” scenario.

The “**do-nothing scenario**” entails that the existing infrastructure on the Mateševu - Andrijevića section of Route 4 will not be upgraded and therefore will not be in line with the TEN-T regulatory requirements. This scenario, however, hinders the meeting of the overall objective of the project which aims at facilitating the development and improvement of road transport infrastructure in Montenegro, thereby hindering the contribution to the overall efficiency and effectiveness of road transport operations in the region. Therefore, the “do-nothing scenario” is not in line with EU Directives and SEETO strategic plan for the SEETO Road Network. Given the need for the Project as outlined in previous chapters, it was concluded that the “do-nothing scenario” is not considered as a viable project alternative.

In the general design of the Bar-Boljare Highway (2008) three alternatives were examined. Two of them, were selected for further examination during the preliminary design. Consequently, the preliminary design examined three variants (two based on Alternative 1 option of the General Design and one variant based on Alternative 2 of the general design). The main difference of the variants was the routing of the highway, . ,

The variants' design has been elaborated under the following restrictions and assumptions:

- The proposed corridor of all designed variants has been defined by the spatial planning documents.
- All variant solutions respect the defined corridor.
- The existing transmission lines have been taken into consideration in order to avoid their relocation.
- Effort has been made to avoid demolitions and conflicts with existing buildings and roads along the whole corridor.
- All the points of conflict between the new highway and the existing road network and structures have been examined and the possible relocation of the existing road network has been proposed.
- Cut slopes and slopes for embankments and the proposed protective measures took into consideration the existing geotechnical surveys results provided by the Beneficiary, the geotechnical

results of the additional surveys performed for the PD, experience from the Smokovac – Mateševo section and visual observation of the project area.

- Design speed: $V_e = 100\text{km/h}$

Another alternative solution (Variant 5) has been ultimately developed by MONTEPUT in 2024 based on the decision of MONTEPUT to address, at that time already raised and known concerns of three out of eight settlements, through formalizing and enhancing stakeholder engagement activities in exploring viable alternatives to the alignment in the areas of concerns (from the exit portal of Tunnel Trešnjevik to interchange Andrijevica).



Figure 3-1: Project variants _Part 1

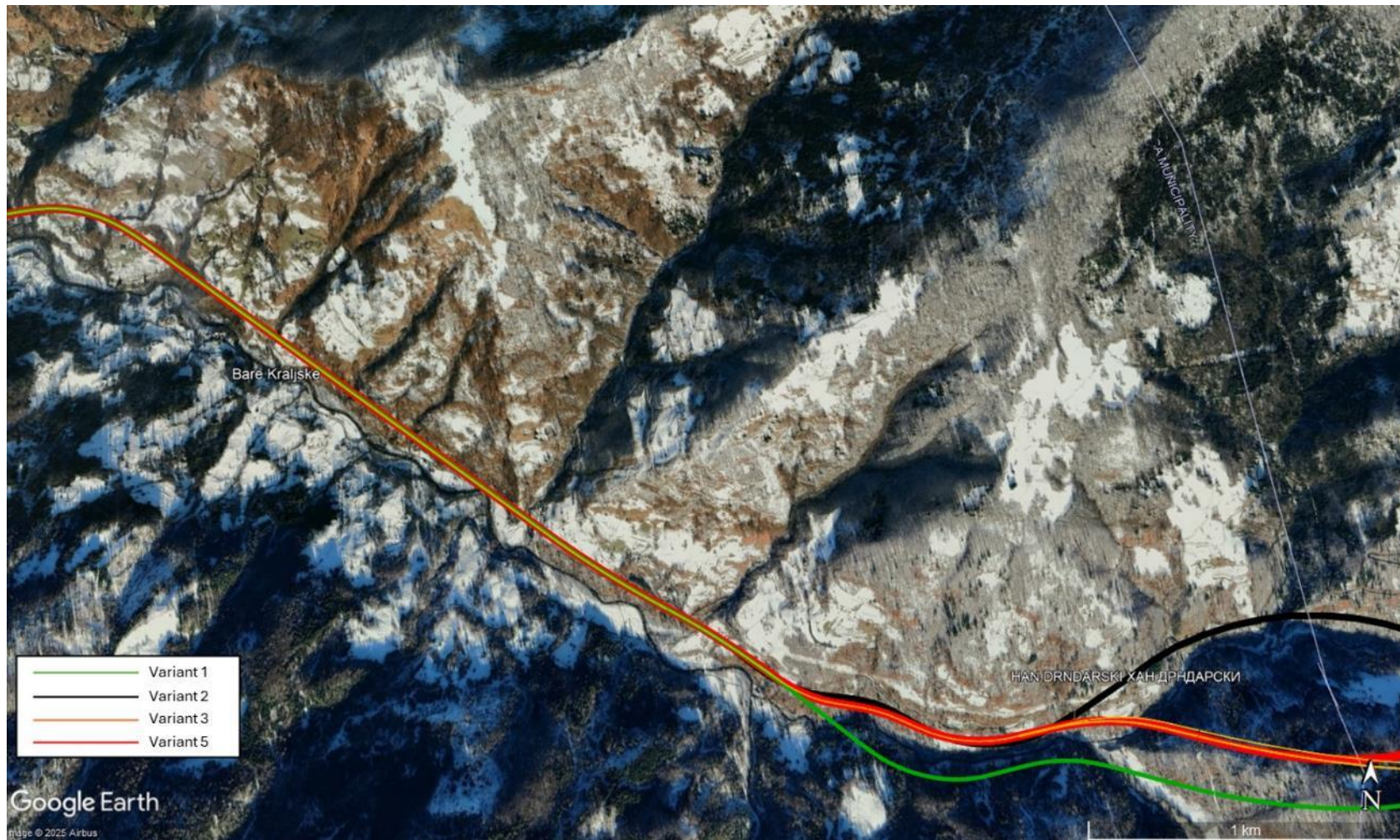


Figure 3-2: Project variants _Part 2



Figure 3-3: Project variants _Part 3



Figure 3-4: Project variants _Part 4

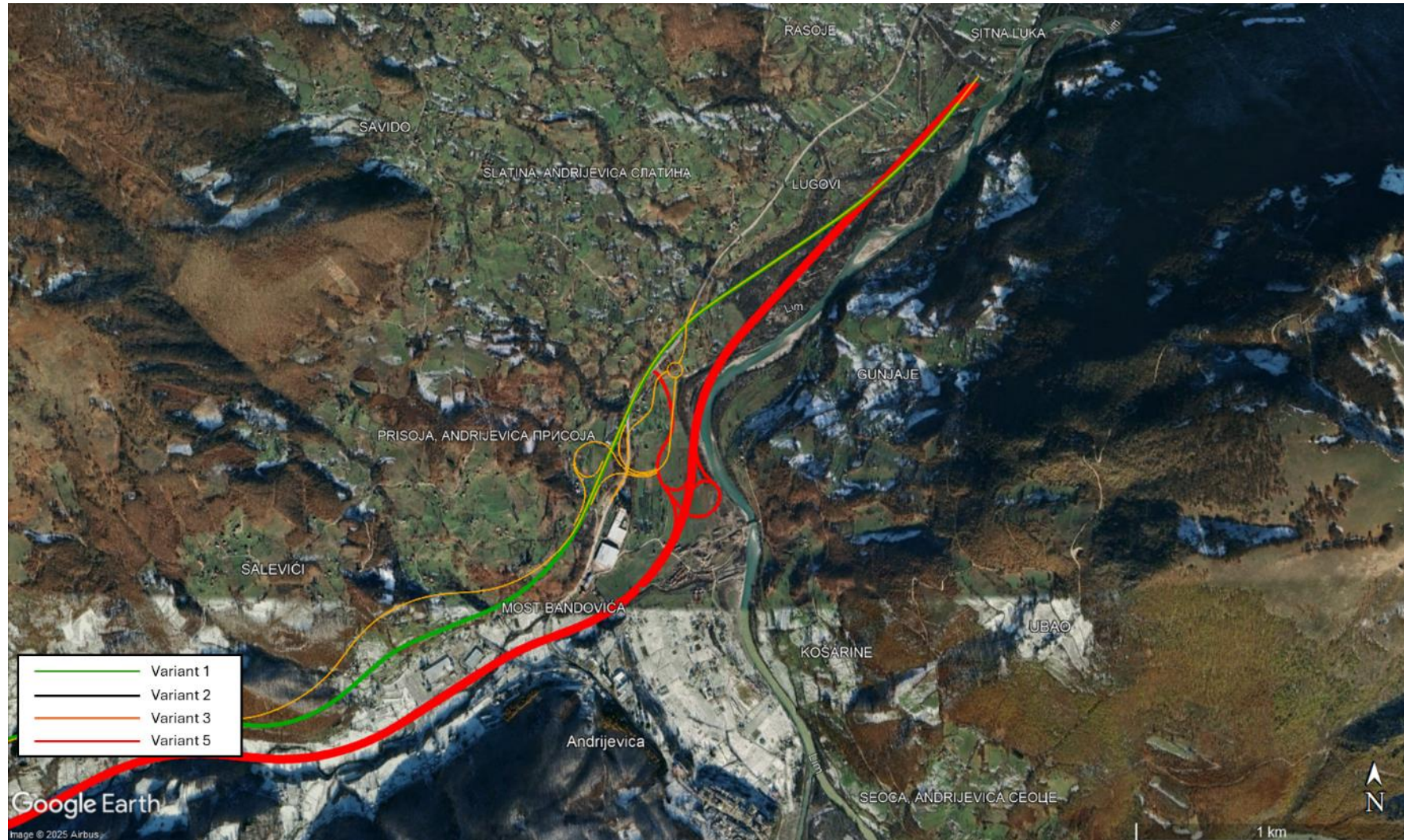


Figure 3-5: Project variants _Part 5

3.2 Project description

The Project is a continuation of the 41 km long section Smokovac - Mateševu under operation since July 13, 2022 interfacing the Mateševu IC and the 555m long tunnel (Smokovac – Mateševu section). The end is the area of the Kraštica River, tributary of Lim River, near Andrijevu. One tunnel of about 3.9 km per tube is foreseen at about 9th km of the section at Trešnjeviku. From the exit of the Trešnjeviku Tunnel, the route mainly follows the valley of the Kraštica River.

The Project impacts areas under administration of two Municipalities: **Kolašin** and **Andrijevu** respectively.

The design speed is $V_e=100\text{km/h}$. The topography along the alignment - hilly /mountainous - creates the need for extensive retaining structures (piles, lane cover and reinforced embankment and defines the design speed.

The lanes widths and the typical cross section lay-out are compatible with the cross section of Smokovac – Mateševu section.

The Mateševu - Andrijevu highway extends across mountainous terrain with many difficulties, such as high slopes in both directions (longitudinal and transversal), steep valleys, approach difficulties and lack of space for construction sites.

The alignment route, for the most part, is alongside with rivers and the existing road network. Hence, the bridges are crossing the rivers and the local roads at many positions.

The supporting highway facilities are:

- Functional facilities serving the traffic on the highway, used for maintenance, control and enabling faster, safer, more comfortable and reliable transportation of goods and passengers on the highway: structures and facilities intended for road maintenance, control and management, and for toll stations;
- Associated facilities intended for road users: petrol stations, motels, shops, parking lots, rest areas, information centres and others.

Furthermore, the following **associated facilities** are foreseen:

- Both - sided rest area type II in Mateševu and both-sided petrol and service station type II in Mateševu that are integrated at one location
- Motels type I, both in Mateševu and in Andrijevu;
- Both - sided petrol station type I in Andrijevu;

The **lighting requirements** have been designed and calculated according to the European standards and in accordance with the national regulations of the Republic of Montenegro. The section Mateševu-Andrijevu will be power supplied by two HV/MV substations (referred to as primary substations). A central system will be installed for surveillance, control, and data collection. The central system will be located in the maintenance base at the Andrijevu Interchange (I/C).

The design of **tunnel** is performed according to the relevant European standards regarding lighting and ventilation and will be equipped with air quality monitoring instruments and all the necessary fire protection and safety systems (emergency exits, drainage, emergency stations, water supply for firefighting, road signs, traffic control system, tunnel control system etc.)

The **drainage** of the catchments upstream of the highway is achieved through the design of hydraulic structures; either bridges or culverts, at the points where the watercourses cross the alignment. The culverts under the highway are designed for the 50-year return period. Apart from the highway, culverts are also

introduced under the designed ramps, service or local roads. Apart from culverts, protection parallel to the alignment is provided in order to protect the highway from the runoff of the upstream catchments. Runoff from highway pavement and ramps will be collected and treated in prefabricated separators. The separators will be designed based on the EN Standard 858 for separator systems for light liquids (e.g. oil and petrol) and will be installed at low points of the alignment, at the entrance and exit of tunnels, at the start of the bridges so that the size of the collection pipe under the bridge is minimized, as well as at frequent locations to discharge the pavement runoff and avoid large sizes of collection pipes and separators. Locations are chosen to be accessible for maintenance.

Within the design, an analysis of potential locations of **landfills** for excavated material and **borrow pits** for construction purposes was carried out. The borrow pits proposal provides locations that according to the adopted criteria can meet the needs for material and will be further examined in the Main Design regarding stone quality and quantity.

Landfills are planned only if there is an excess material (remaining from the levelling of masses during excavation and construction activities). The locations of excavated material landfills are classified into two categories:

- Temporary landfills, where material will be deposited immediately after excavation, its selection, separation and separation for the needs of embankment construction;
- Permanent landfill, where part of the material that does not meet the conditions for use in construction will be disposed of. The permanent landfill must meet the prescribed criteria for environmental protection.

The selection of locations for temporary and permanent landfills of excavated materials is based on a set of criteria: distance of the location from the highway route, cuts, tunnels, access to the location itself, terrain morphology, population (built-up) on the location, agricultural land, available area of the location, that is, the possible volume of deposited material, impact on surface and underground water and the environment in general, terrain stability. Considering the criteria, 15 locations of temporary landfills have been defined, of a total area of approx. 18 ha.

According to the design, it is estimated that only about 20-25% of the excavated material will be able to be used for the needs of forming embankments and concrete production. The missing material for the formation of the embankment and the production of concrete could be increased by the eventual opening of borrow pits in the area of highway alignment. Material borrow pits are determined by the Conceptual and the preliminary design, in terms of the position of borrow pits in relation to the highway route, and estimated quantities and quality of materials. The quality of borrowed materials should be confirmed by analyses at the level of the Main Design. A total of 6 zones for borrow pits have been marked in this section of the highway, with a total area of about 59 ha.

The implementation of this project will take place in three steps. Namely, the preparatory works will take place first, following by execution of main works, and finally acceptance works activities.

4 Environmental and social impacts and mitigation measures

4.1 Environmental Impacts and relevant mitigation

Topography and landscape. In the construction phase landscape scenery will be altered temporarily by the presence of construction machinery, construction camps and other auxiliary facilities. In the project operation phase, the landscape will be permanently changed due to the presence of a highway, together with cuts, embankments, bridges, viaducts, tunnels, noise barriers, etc. The main impacts on the landscape and views that are expected during construction phase are possible direct and permanent changes in the natural morphology of the terrain and land use patterns.

Air quality. Negative impacts on air quality are expected due to construction works, such as excavations, tunnel construction (drilling and mining), construction of cuts, incisions and embankment, transport of material, as well as from vehicle and equipment traffic. Air pollution during the operation originates from traffic, i.e. from exhaust gases of different types of vehicles using the road. Measures to mitigate impacts on the air quality during construction phase include good construction site management (watering to reduce dust emissions, covering of materials, slow-down of dust generating activities during windy days), as well as appropriate management of the vehicles and equipment (good maintenance, optimisation of traffic, avoidance of idling time etc. Air quality is proposed to be monitored at the most sensitive receptors during the construction works. During operation phase speed limits should be respected and air quality is proposed to be monitored at the most sensitive receptors. In the framework of the ESIA, an air quality and noise impact study was performed to assess the impacts during construction and operation. The study clustered the sensitive receptors in five main locations along the alignment, (1) at 1+300 - 1+700, (2) Bare Kraljske settlement at 5+400 - 8+000, (3) Gnjili Potok settlement at 13+850 - 17+140, (4) Kralje village at 17+350 - 18+750 and (5) Andrijevica (north) at 20+200 - 23+100.

Climate and climate change. The highway can have only minor impacts on micro-climate. During construction greenhouse gas emissions are expected due to fuel combustion of the construction equipment, while accordingly, GHG emissions are emitted from the traffic of the vehicles during the operation of the road. Measures to reduce greenhouse gas emissions are similar to those for air quality. Regarding vulnerability to climate change impacts, taking into account the type of the infrastructure and its exposure to climate change induced hazards, the road and the structures are mainly vulnerable to forest fires, landslides, extreme temperatures and flooding. During detailed design adequate climate change resilience measures shall be included (pavement and construction materials, drainage etc), while during operation phase, asphalt conditions should be checked regularly, and cracked and distressed areas should be timely sealed, road drainage should be kept in good condition and bridges and structures must be inspected before and after flooding events. It is noted that retaining structures to protect from landslides are included in the design.

Noise and vibrations. During the construction phase, outdoor machinery and equipment will generate noise and vibration which will affect population inhabiting the surrounding area. Noise level will significantly increase compared to the present situation, as noisy construction operations (tunnel boring, earth movements, viaduct construction, dredging, production and transport of construction materials, etc.) will take place in rural areas with low population density which are currently very quiet. During the operation phase noise is expected by the traffic of vehicles. Sensitive receptors are the same as in the case of air quality. The Assessment Study showed that noise, without mitigation measures exceeds the limits at some parts of the road. Regarding construction related noise a Construction Traffic Management Plan shall establish speed limits for construction vehicles and machinery at the construction site and the access roads used and organise traffic so as to avoid inhabited areas as much as possible. The construction equipment shall comply with EU requirements and standards and must be maintained properly. Construction works should generally not be permitted during night. In case of carrying out noisy works at night or during a period longer than one day at a given site, temporary noise barriers shall be erected around the working area. Location of noisy equipment shall be chosen as far as possible from sensitive receptors. Monitoring of vibrations during the performance of critical work processes (e.g. tunnel boring, foundations of the bridge) shall be undertaken in buildings which are within a distance of 20-50 meters from the area where these works take place. Noise levels shall be periodically monitored to determine noise levels accurately. To reduce the negative impact of noise on the population in buildings whose facades have been found to exceed the legally permitted levels, protection measures should be planned. It is recommended noise protection structures on the terrain to be designed using natural materials. Noise level is proposed to be monitored at the most sensitive receptors during the operation.

Geology and soil. During construction phase, destruction of topsoil is expected. Construction works will induce a heavy traffic of vehicles and machinery which may potentially cause inadvertent leaks of fuels and oils. Similarly, storage of hazardous materials and wastes may potentially cause contamination of soil and

groundwater. Soil erosion may occur during construction due to clearance of vegetation and earth movements. Impacts during operation phase refer mainly to contamination of soil and groundwater due to contaminated run-off water as well as spillages and leaks from vehicles. Regarding operation phase, no further mitigation measure is deemed to be required. Immediate action must be taken in the event of an accident to prevent any contamination from spillages (coating the leak area with absorbent material, collecting and handling the mixture as hazardous material).

Habitats, Flora and Fauna. Impacts on flora and vegetation will include different degrees of disturbance caused by activities, mainly in the construction phase of the road, when the greatest impacts are expected. These impacts would be significantly reduced in the project operation phase. During construction phase, key impact in the construction phase will be habitat loss. Within ESIA, a Critical Habitat Assessment was performed according to the requirements of EBRD. All habitats identified in the area qualify as Priority Biodiversity Features, while the habitat 91E0 qualifies as Critical Habitat. Regarding species, several species qualify as CH, according to the EU criteria. However, all these species are widely distributed in the country. The most sensitive habitats to be affected are those covered with riparian vegetation.

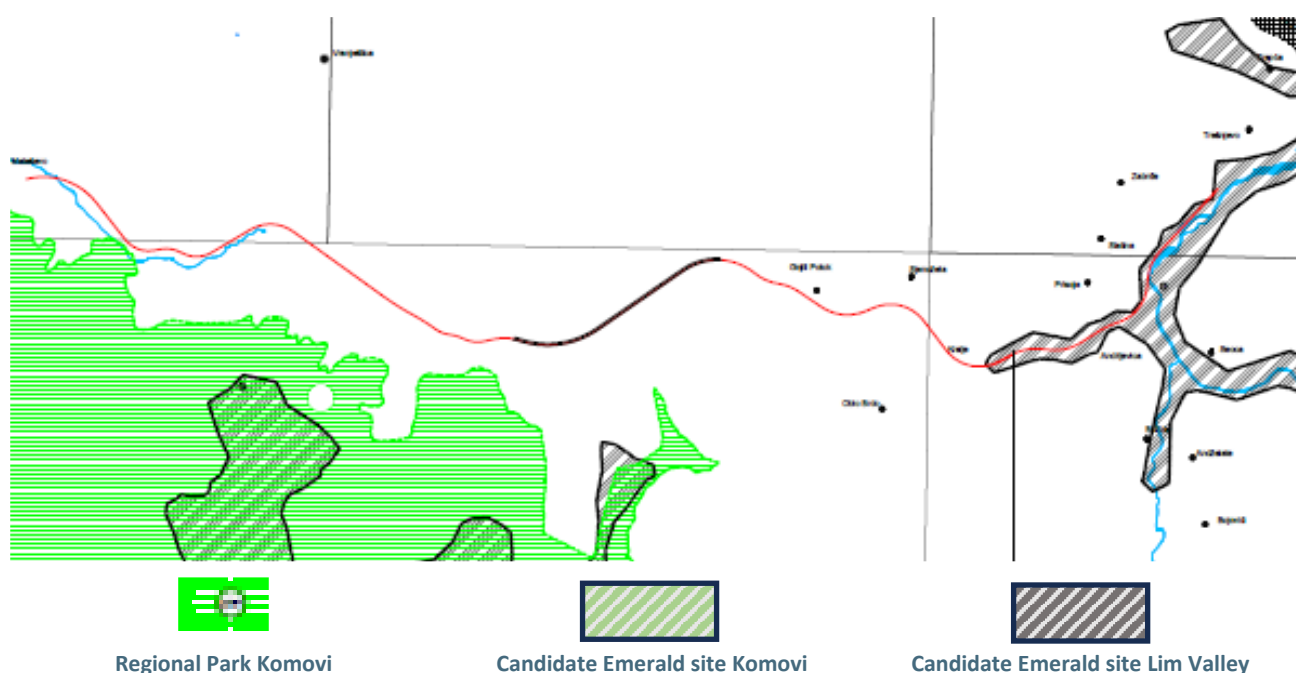


Figure 4-1: Highway alignment and Emerald sites

In order to address the impacts on biodiversity, a Construction Biodiversity Management Plan covering pre-construction and construction phases will be developed. The Construction Biodiversity Management Plan will include a loss/gain analysis and ensure that for the habitats identified in the project area and characterised as PBF, no net loss is achieved, while for the habitat 91E0*, as well as for the species that qualify as CH as per EU legislation, net gain is achieved. To this end, appropriate offsets shall be explored. Furthermore, in order to ensure that candidate Emerald sites are not affected, an Appropriate Assessment for protected areas, as per national legislation and EBRD requirements shall be prepared after drafting of the Construction Biodiversity Management Plan.

In addition to the above, construction works (predominantly through noise and vibration) will result in temporary disturbance to fauna. Land fauna may be also impacted by pollution. In areas where the is close to water bodies, ichthyofauna may be disturbed by pollution of water due to construction. It is noted, however, that this section of the highway does not cross the riverbed and so significant impacts due to bridge construction over rivers does not occur. Key impact in the operation phase will be habitat fragmentation. It is to be added however that in the current case open route sections will be intermitted by a number of tunnels and viaducts which do not hinder the free movement of animal species and thus help preserve the

integrity of habitats. Barrier effect may also occur for birds due to noise barriers. By appropriate location of the construction sites it is to be ensured that temporary disturbance of animals is minimised during construction works. Main measures to minimise the adverse impacts during construction include the cutting down of trees and shrubs outside the migration and nesting period of birds, construction works only during the day, preservation of shelters of bats, etc. After the completion of works, biological recultivation of the area outside the road should be carried out by planting autochthonous vegetation, which will contribute to the preservation of landscapes and habitat restoration in the project area. Monitoring of registered protected species, as well as monitoring of the state of the population of all registered species and critical habitats should be carried out. During the construction of the road (in consultation with experts), it is necessary to monitor the populations of species that are defined as particularly important for monitoring at sites that are marked as their habitats. Areas necessary for construction, but not required for the operation, shall be rehabilitated, such as areas disturbed by construction of the viaducts. Rehabilitation shall aim to re-establish the original regional ecosystems present prior to disturbance. The areas over the tunnel and under the viaducts will allow free movement of animal species thus no specific mitigation measures (i.e. wildlife crossings) are deemed necessary at this stage. Vegetation loss shall be duly compensated by reforestation using species typical of the regional ecosystem. Other measures include the following: Artificial lights should be projected in such a way to disrupt the life activities of bats as little as possible, in case of placing transparent noise barriers, cover them with bird silhouettes, avoid pylons or cables. In case of installation, they should be equipped with visual jammers.

Surface waters. Construction work can be a source of pollutants, as precipitation runoff can carry suspended particles off the construction site, or they can be accidentally released during the construction of road structures, waste disposal, or equipment cleaning. Construction works can also have a physical impact on watercourses, increasing the risk of flooding in the area. During construction, hydrocarbons, lubricants, paints, thinners, resins, or acids may also be released due to accidental leaks or spills from machinery or material storage, which can contaminate surface water. During the operation of the road, water pollution can occur due to the following processes: deposition of particles from exhaust gases, tire wear, car body failure and cargo filtration, pouring of cargo, rejection of organic and inorganic waste, atmospheric deposition, deposition of wind-borne particles and their transmission due to passing of vehicles. In order to mitigate impacts during construction, construction of bridges in watercourses will be carried out during the dry season, drainage for the construction of bridges and culverts should not result in the entry of turbid water into natural watercourses. It will not be allowed to occupy streambeds or riverbanks, unless there is no alternative to perform construction work. Municipal wastewater generated in the construction sites will not be discharged into natural watercourses without prior adequate treatment. Construction sites will contain portable chemical toilets. During operation, the runoff from the road will be treated in oil separators (siphons for filtering sediment in the case of water from open parts of the road) before it reaches the surface water collector. With adequate use of these plants, measurable pollution in surface water collectors is not expected to occur, and no special mitigation measures are required during the operation phase.

Waste. During construction phase, impact on the environment (e.g. soil, water resources, biodiversity) may occur in the event of uncontrolled disposal of the generated solid waste on land or water resources. During operation phase, solid waste may be produced during the maintenance activities as well as the road users. All types of waste should be properly segregated and managed according to the relevant EU and national legislation.

4.2 Social impacts and mitigation measures

Social Impacts identified in the ESIA are typical for a linear greenfield road project implemented in mountainous areas, with pre-existing connectivity challenges, and with underinvestment in construction and maintenance of the local roads and community utilities in the past.

The selection of the EPC Contractor will follow **Standard Tender Documents** that have been prepared by the **EBRD** for use by the Bank's clients for the procurement of **works** and services which assess during the selection the Environmental, Social, Health and Safety (ESHS) experience and past performance. This assumes that selected EPC Contractor will be a reputable firm with positive record of accomplishment in managing Environmental and Social Risks. In addition specific requirements have been mandated in the ESIA which will be contractual commitments of the EPC Contractor. A summary of specific social risks and impacts and commitments and instruments to manage these risks are presented below.

Health and access to health services. The construction project is not expected to directly impact access to healthcare, though there may be a slight increase in demand for health services due to workers, especially in the first six months. Local healthcare centres in Kolasin and Andrijeviča can handle general medical needs, while more serious cases will be managed in Podgorica. The risk of disrupted access to healthcare due to temporary road closures will be addressed through traffic management plans. As in past construction experiences in the region the EPC Contractor will likely subcontract up to 30% of their works to local companies who employ local workers, easing the strain on healthcare resources, as local workers are already integrated into the system.

Infrastructure. The establishment of worker accommodation camps is still uncertain, but if they are set up, they could temporarily increase pressure on utilities like electricity, water, and waste management, particularly for nearby settlements. The EPC Contractor is encouraged to consider using land in Matešev, where a previous workers' camp for the section Smokovac-Matešev was located.. The EPC Contractor will be required to develop an Infrastructure and Utilities Management Plan and Emergency Response Plans considering the capacity of communities and current situation of the community infrastructure to respond to emergency events efficiently. To manage waste the EPC Contractor will develop and adopt Waste Management Plan (WMP) to ensure proper handling of all types of waste and coordinate waste disposal with municipal landfills or private contractors with adequate licence. Furthermore, it is proposed to provide training construction workers regarding good practices on resource efficiency.

The Project will implement a Grievance Mechanism and address infrastructure related grievances in line with the Stakeholder Engagement Plan (SEP) of the Pro. .

Traffic and accessibility. Traffic disruptions during construction could negatively affect daily activities, livelihoods, and the overall quality of life if not managed properly. The R19 road, which connects Matešev and Andrijeviča, is particularly vulnerable due to its poor condition, and increased construction traffic may lead to delays, road closures, or complete stops, especially when transporting large or hazardous materials. The local road network is already under strain, and the disruption could worsen during construction, particularly in winter when road conditions are challenging. To mitigate this, the project must work closely with local authorities and communities, ensuring that road maintenance and safety measures are in place. The project may also temporarily restrict access to private land or businesses, which could increase transportation costs and reduce accessibility for customers. The main risks include road deterioration and safety concerns from heavy traffic. A transport survey will be undertaken by the Contractor once specific equipment is known to better access and manage impacts. Before construction activities start a Traffic Management Plan (TMP) will be developed in consultation with the local communities and approved by relevant authorities.

Land Acquisition and Resettlement. Involuntary resettlement, if not properly managed, may result in long-term hardship and impoverishment for affected persons and communities. EBRD Performance Standards require that displacement is avoided (identification of alternative routes), minimised (fine tuning of project boundaries, ancillary facilities to minimise the footprint and displacement) with community and social cohesion and economic sustainability of a community that may require displacement and resettlement as an important consideration during decision making. The Project runs through two administrative municipalities, Kolašin and Andrijeviča respectively, and the expropriation spans across 8 Cadastral Municipalities. To comply with EBRD standards on avoiding displacement whenever feasible, and address the concerns of those

three local communities with significant displacement cases and threats to community sustainability and cohesion, MONTEPUT analysed an alternative route after tunnel Trešnjevik to Andrijevisa taking into account various aspects (cost, technical feasibility, construction methods, etc). This alternative route and how it avoids impacts was presented to all impacted local communities during 4 public meetings (organized for 8 local communities) held in September 2024. The table below provides overview of estimated impacts anticipated with the change of the route. For comparison the original route had a total of 48 cases of physical displacement.

Municipality	Cadastral Municipality	Expropriation cases (number)	Land plots (number)	Area (m2)	Number of PAPs (title holders)	Estimated Physical displacement impacts (permanent residence)	Estimated number of Physical displacement (seasonal use)
Kolašin	Mateševo	10	35	85.326	46	0	1+ 1*
	Sunga	12	63	105.959	26	0	2
	Bare Kraljske	44	167	412.062	73	3**	1
Sub-total I		66	265	603.347	145	3	5
Andrijevisa	Gnjili Potok	33	73	78.635	45	0	0
	Sjenožeta	17	38	53.683	25	0	0
	Kralje	37	61	100.771	52	0	1
	Slatina 1	25	57	61.768	41	0	0
	Andrijevisa ⁵	18	31	33.607	36	1***	0
Sub-total II		130	260	328.464⁶	199	1	1
TOTAL:		196	525	931,811	344	4	6

* One of the two identified structures has been already acquired for the footprint of the preceding section Smokovac –Mateševo but was not demolished and appeared in the inventory (please refer to figure 6 in Annex 5).

**One of the three structures is required for the footprint of the rest area planned to be re-designed to avoid impact to the residential structure. In addition during the Detailed design phase the route optimization will be additionally investigated and it is already anticipated that further avoidance of displacement impacts in Bare Kraljske is to be implemented refer to Annex 5 Legend RA.

***Structure is approximately 2 m outside the expropriation border.

The ESIA has identified additional 19 structures (residential, occupied seasonally or abandoned) outside the expropriation boundary but fronting the highway up to 100m. These structures shall be further investigated during the detailed design to apply either commensurate technical protection measures or expropriate at the owners' request. For another 5 structures, adjacent to or potentially required for relocation and deviations of certain parts of the regional road R19, MONTEPUT has indicated that the approach in the Detailed Design will be such to avoid impacts.

Properties for which impacts was unavoidable, will be expropriated and compensated as guided by the Law on expropriation of Montenegro supplemented with additional mitigation and compensation to meet EBRD requirements. Such combined standards are presented in the Land Acquisition and Resettlement Framework (LARF) which MONTEPUT has adopted to guide the expropriation, and the table below is the **extracted Entitlement Matrix** explaining all eligibility criteria for compensation and the adequate compensation for loss of land and assets or restrictions imposed on land.

Type of loss/Impact	Person with rights	Compensation policy
Economic displacement		

⁵ The Route change included a small area of CM Andrijevisa due to change of the location for the interchange (from CM Slatina to CM Andrijevisa).

⁶ The estimation is given based on the Conceptual design which is less detailed and will vary

Type of loss/Impact	Person with rights	Compensation policy
Land		
Permanent loss of land (construction, agricultural, forest land, pastures etc) regardless to severity of loss (partial or complete loss)	Formal right holders (including customary and traditional rights recognised under national laws)	Cash compensation at full replacement value and Livelihood restoration assistance in cases of land-based livelihood
	Holders of recognisable rights	Provide support for the legal recognition of rights and, once rights are recognised, Cash compensation at full replacement value
	Formal user (tenants) of private land who cultivate land under formal agreement with formal title holder	Notice that the land is subject to expropriation at least three months in advance of land entry to enable the tenant to find other land for lease.
	Informal users (users of agricultural land and livelihood is land based)	Assistance to identify resources for use, prior to land entry (if required) Notice that the land is subject to expropriation at least three months in advance of land entry to allow the person using the land informally to find an alternative option and vacate project-affected land. Livelihood restoration assistance in cases of land-based livelihood
Agricultural, forest land and/or pastures land becoming economically unviable	Formal right holders (including customary and traditional rights recognised under national laws)	In case the remaining area of land is not viable (viability of land is assessed on a case-to-case basis by an independent expert and will take into account economic indicators, and safety and accessibility for human use or occupancy), it can be expropriated upon PAPs request and compensated according to type of property. Any identified economically unviable – orphan land, will also be acquired, if requested by the owner and determined as unviable, by certified appraisers.
Plants and structures on agricultural land (other than houses)		
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops formal or informal	Harvesting crops or Cash compensation at replacement value. Loss of annual crop will be avoided by adjusting construction schedule
Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants regardless of their formal rights and types of their tenure rights over the land	The right to collect fruits or lumber and Cash compensation at replacement value on the basis of sort, year and productive value, including the value of time needed to produce such crop and net income loss, as well as costs of investment (work and labour force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential.
Affected vineyards and orchards not yet fruit bearing		Harvesting crops/yield and Cash compensation sufficient to re-establish or buy a similar vineyard or orchard, including the value of time needed to reproduce a replacement vineyard or orchard and net income loss.

Type of loss/Impact	Person with rights	Compensation policy
Wood mass (mature or nearly mature)		Harvesting of woods or The replacement cost determined based on the value of the “wood on the stump” at market value
Forests without mature wood mass		Harvesting of woods or Cash compensation sufficient to re-establish a similar forest, including the value of time needed to reproduce a replacement forest and net income loss.
Nursery not yet yielding		Cash compensation sufficient to re-establish planting material (nursery and other reproductive material).
Buildings used for keeping and raising livestock (sheds, stables, etc.)	Owners of structures used for keeping livestock	Cash compensation at replacement value
Impact on agricultural employees, or processors	Workers, employees	In case of disturbance of income source priority in employment on the Project, if possible and on a case-by-case basis (In accordance with social assessment processed in LARP)
Business (but not agriculture)⁷		
Business structures (shops, café and hospitalities) etc.	Owners with formal title (including owner with legally recognisable claim), building constructed without building permit on land they own, or land owned by third persons- commonly state owned	Cash compensation at replacement value and Costs of equipment and inventory relocation and re-installation and Lost net income during the period of transition (measured based on census survey and official financial statements)
	Formal user (tenant)	Notice that the business structure is subject to expropriation at least three months in advance of land entry to allow the person to find an alternative option and vacate the premises.
Loss of non-agricultural businesses	Workers, employees	Priority in employment on the Project, if possible and on a case-by-case basis (in accordance with social assessment processed in LARP). Collaboration with the National Employment Service for Job placement agencies and the Contractor once selected (The tender for selection of contractor will include a preferential clause for local labour)
Loss of buildings (houses, flats) leased and providing source of livelihood	Owner of property	Cash compensation for lost assets at full replacement value
Physical displacement		

⁷ No businesses were identified up to this stage but the provisions are precautionary included

Type of loss/Impact	Person with rights	Compensation policy
Buildings (residential, houses, apartments etc.)	Formal right holders (including customary and traditional rights recognised under national laws) building constructed without building permit on one's own plot of land or constructed without building permit on someone else's or state-owned – not eligible for legalization	Cash compensation at replacement value
	Holders of recognisable rights	
	Lessee of the affected property	Notice that the structure is subject to expropriation at least three months in advance of land entry to allow the person to find an alternative option and vacate the premises.
OTHER RESETTLEMENT SITUATIONS		
Impacts caused by temporary occupancy of land (for worker's camps, site offices and similar)	Property owner (including owner with legally recognisable claim)	Market price of lease for duration of the occupancy. The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed differently with PAP. and Replacement cost in accordance with this matrix for lost assets attached and Compensation for any damages to the property evaluated at replacement value
Established permanent easement rights on the property (i.e., right of way over land or property)	Property owner (including owner with legally recognisable claim)	Compensation for decrease of market value of land or building due to easement rights implementation and Compensation at replacement value for affected crops, orchards, nurseries etc. in accordance with relevant sections of this matrix. and Compensation for any permanent loss of income due to easement evaluated at replacement costs as assessed by accredited experts by assessing net gains potential of land after easement
Impact on vulnerable groups	Vulnerable PAPs	On top of all rights defined in this matrix, vulnerable PAPs will be provided additional legal assistance and help. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. Main drivers of vulnerability will rely on the vulnerability criteria for receiving support from the Centre of Social work and will be taken into account and in consultation with PAPs. LARP shall develop a detailed methodology based on the socio-economic surveys. These PAPs are given priority of employment on the Project if possible.

Type of loss/Impact	Person with rights	Compensation policy
Restrictions on land (except in cases where such restrictions are already imposed prior to the cut-off date for reasons other than the Project)	Holder of valid construction rights prior to the cut-off date	The compensation policy shall be determined in detail in the LARP. Such right must be proven to have existed at the cut-off date and that the loss is directly and exclusively attributable to development of the Project. This will be subject to further assessment in the design and LARP. Compensation in the amount of evidenced decrease in market value of land where a structure cannot be constructed, due to decision to not issue a permit. If acquired in the context of this Project compensation and full replacement cost.
Affected community assets/facilities		
Impacts on community assets/facilities, infrastructure etc. and public amenities	Depending on the type of impacts owner of asset/facility and indirectly communities suffering impacts	In kind Restoration/Replacement for any impact/damage/loss of community assets facilities which can be restored, rehabilitated or remediated. This could also include compensation in other areas of operation (if possible and agreed by the communities) to address their development priorities.

Labour and Working Conditions. The legal framework in Montenegro ensures strong protection for both national and migrant workers, with labor conditions governed by national law and EBRD standards. When the provisions of legislation are properly followed, no significant impacts are expected. The most prominent risk is the risk from informal work. In the absence of appropriate mitigation, this impact can seriously deteriorate the overall wellbeing of workers.

The Project Beneficiary, contractors and sub-contractors will be obliged to adhere to worker standards consistent with EBRD PRs, and to ensure, by procurement and contractual requirements, by monitoring, reviews and reporting, that third parties which are under direct influence of the client (contractors, sub-contractor) comply with national laws and fundamental principles and standards of the ILO conventions.

The EPC Contractor will be required to adopt the Labor Management Procedures, Appendix III in the ESIA. In relation to the workers' camps, it is expected that if set up they will be managed in compliance with EBRD/IFC Guidance Note: Workers' accommodation: processes and standards. The requirements for workers camps shall include consideration of a safe and healthy location, application of appropriate construction standards, provision of adequate and sanitary living conditions and provision of appropriate leisure and health facilities. Grievance mechanism for all workers (employees and non-employees) on Project sites should be made available to complement the nationally available panel to raise grievance and seek protection of rights.

Occupational Health and Safety. Highway Construction works can bear significant risks for workers, such as fall-related accidents, struck-by accidents caused by vehicle and equipment strikes, falling or flying objects, caught-in-between accidents caused by trench or excavation collapse, rotating equipment, unguarded parts, equipment rollovers, poor equipment maintenance, electrocution caused by contact with overhead or underground utility lines, contact with live circuits, poorly maintained cords and tools, lightning strikes. Tunnel construction involves the general construction risks as well as risks that are specific to tunnelling environment, such as cramped working space, wet and slippery flooring, and artificial lighting, inadequate ventilation, existence of obnoxious gases, unseen weaknesses of rock, handling of explosives, hauling muck, etc, leading to accidents. Site preparation, construction activities and the use of temporary workers' accommodation pose potential risks to the health and safety, security and therefore wellbeing of construction workers if not managed appropriately. Occupational health and safety risks during operation phase mainly refer to the risks to road maintenance personnel. The project will take all necessary steps to protect the health and safety of workers throughout its construction, operational, and decommissioning phases. The EPC Contractor will be required to implement an ESMS that addresses risks specific to each phase. This system will involve creating policies, assigning responsibilities, and ensuring that competent

resources are available. It will cover a wide range of safety measures, such as handling hazardous substances, working at height, excavation safety, use of personal protective equipment (PPE), and safe operation of machinery. Regular performance monitoring will be carried out to ensure ongoing safety, with clear responsibilities for oversight at different levels of management.

Community Health, Safety and Security. Community safety and security risks during the construction phase are assessed to be similar to the OHS risks for workers should no measures be taken. The main risks to the communities will be managed by implementation the following measures as relevant to any given specific risk. **Influx of workers.** Minor influx of workers can be expected but the EPC Contractor will adopt a Code of Conduct to set the behaviour standards. **Site Access Restrictions:** High-risk areas will have restricted access using fencing, signage, and designated observers to monitor violations. **Public Safety Information:** Information boards will be posted to inform the public about safety hazards and emergency contacts. Communication about risks will be shared with the local community. **Hazard Removal:** Hazardous conditions on construction sites will be addressed by covering openings, securing confined spaces, ensuring safe escape routes, and locking hazardous materials. **Site Security:** Construction sites will be well-fenced and guarded 24/7, with night illumination for visibility. Blasting areas will be marked with warning tape. **Vehicle Safety:** High-speed driving will be prohibited, and vehicles will be equipped with speed control devices. Driver fatigue will be managed by setting limits on trip duration and establishing driver rosters. Regular vehicle maintenance will be ensured. **Pedestrian Safety:** Measures will be taken to minimize interactions between pedestrians and construction vehicles. Collaboration with local communities will improve road safety, especially near schools. **Traffic Control:** Safe traffic control measures, such as road signs and flag persons, will be employed to alert drivers of dangerous conditions. **Emergency Preparedness:** Coordination with emergency responders will ensure that proper first aid is available in case of accidents. **Information Campaigns:** A campaign will inform local communities about potential impacts, including traffic disruptions, temporary land use, and safety during construction. This will include safety sheets with work schedules, details about hazardous activities, construction site plans, safety rules, and emergency contacts. **Collaboration with Local Authorities:** The project will cooperate with local authorities to ensure the community is informed about the work schedule and any road repairs needed due to construction traffic. Information on traffic changes will be shared with local communities. **Health and Safety Education:** A Community Health and Safety Educational Program involving public outreach activities, including school visits and communication efforts to educate local residents, passengers, and workers. **Limiting Working Hours:** Construction activities will be restricted to weekdays from 7 a.m. to 7 p.m. to minimize disturbances. **Transport Schedule Coordination:** The final schedule for transport movements will be coordinated with local authorities and communities to ensure that the timings align with community needs and reduce disruptions. **Transport of extraordinary cargo.** The EPC Contractor will use appropriate and specifically designed vehicle and obtain all licences. **Well-Maintained Equipment:** Only well-maintained equipment will be used on-site to ensure safety and minimize accidents or malfunctions. **Risks during excavation and blasting.** These risks in the vicinity of existing physical structures associated with risks of injuries, risk from inadequate information sharing and messaging and evacuation of people when and if needed, physiological stress, and damages to assets. Especially structures identified in table 7.38 of the ESIA fronting the highway up to 100 m at the entrance and exit portals of the Tunnel Tresnjevnik which are outside the physical footprint. The Contractor will be required to prepare a Blasting management plan and present this to the community. **Transport of hazardous material.** Explosives might be transported but proper labeling is required and United Nations recommendations on the transport of dangerous goods and the national regulations limits to the quantity of mining explosives which can be transported in an ordinary vehicle will be imposed.

These measures focus on reducing risks associated with site access, traffic safety, and protecting workers and the local community through careful planning, communication, and collaboration with authorities.

Cultural heritage, burial grounds and memorial days. No cultural heritage sites have been identified on the route of the planned highway. Nonetheless, in the broader area there have been some identified culturally

important sites and mapped out for the Contactor, to ensure adequate planning of off-site activities. These locations are shown in table below:

	Cultural heritage sites	Coordinates	Cadastral District	Distance from axis m
1	Memorial - plaque on the site of the battle against the invaders; (Decree on the Protection No. 91/52 of 31 January 1952)	42°42'8.52"N 19°46'31.70" E	Andrijevića	3920
2	Memorial plaque at the site of first battles in July 1941 (Decision on the protection no. 2351 of 23 February 1952)	42°42'8.52"N 19°46'31.70" E	Andrijevića	1600
3	Memorial plaque on the building of the former party school (Decision on the protection no. 08-372/1 of 5 April 1963)	42°44'1.22"N 19°47'35.18" E	Andrijevića	1320
4	Memorial plaque on the building from which 20 patriots were led out and executed in 1943 (Decision on entry in the Register No. 08-375/1 of 5 April 1963)	42°44'1.22"N 19°47'35.18" E	Andrijevića	1320
5	Memorial plaque; (Decision on entry in the Register No. 08-386/1 of 5 April 1963)	42°45'17.05"N 19°46'49.93"E	Slatina	840
6	Memorial plaque; (Decision on entry in the Register No. 08-373/1 of 5 April 1963)	42°45'48.33"N 19°47'43.20" E	Tresnjevo	975
7	Memorial plaque; (Decision on entry in the Register No. 08-389/1 of 5 April 1963)	42°43'13"N 19°47'04.5"E	Andrijevića 1 and 2	2300
8	Memorial plaque at the site where national hero Milic Keljanovic was killed; (Decision on the protection No. 233/52 of 23 November 1952)	42°44'14.77"N 19°41'9.47"E	Gnjili potok	175
9	Memorial plaque (Decision on entry in the Register No. 08-388/1 of 5 April 1963)	42°45'43.14"N 19°46'55.73"E	Zabrdje	1340

Sites with potential cultural and historical value

	Site	Coordinates	Municipality	Cadastral District	Distance from axis m
1	Mark's cave	42°45'09.31"N 19°45'01.18"E	Andrijevića	Sjenozeta	1220
2	Slatina	42°45'31.13"N 19°47'46.75" E	Andrijevića	Trepča	440
3	Memorial complex on Knjazevac	42°44'10.85"N 19°47'17.93"E	Andrijevića	Andrijevića	900
4	Church St. Lazar and St. Vid	N 42°46'451"E 19°36'223"	Kolašin	Vranjestica	2390
5	Cave on Mount Cuke	N 42°46'540" E 019°36'745"	Kolašin	Vranjestica	2545
6	Macure	N 42°42'144" E 19°39.264"	Kolašin	Kraljske Bare	3700
7	Bjelega	N 42°42'091"E 19°39'006"	Kolašin	Kraljske Bare	3830

Based on the currently available information it is expected that known cultural heritage sites will not be affected by the Project due to their distance from the planned alignment, neither in the construction phase, nor during the operation. Should an archeological site be encountered during the execution of works, all works have to be stopped and the Ministry of Culture and Administration for the Protection of Cultural

Properties has to be notified in order to undertake all the necessary protection measures, pursuant to Article 87 and Article 88 of the Law on the Protection of Cultural Property (“Official Gazette of the Republic of Montenegro” 49/10).

5 Disclosure and Communications and managing grievances

Previous stakeholder engagement. A series of stakeholder engagement activities between July and September 2024 were undertaken to remedy past shortcomings in information sharing, consultation and participatory planning and decision making. The engagement focused on the local communities’ perception of the Project and their concerns related to the route and their expectations in managing their concerns. A detailed description of all engagement activities is provided in the ESIA and SEP, which are both part of the Project disclosure package.

Planned disclosure and engagement activities. MONTEPUT intends to provide all relevant Project information to the public in Montenegrin and English (where appropriate). A detailed Stakeholder Engagement Plan (SEP) in line with national and EBRD requirements has been developed. The SEP identifies the Project's stakeholders and outlines the stakeholder engagement and communication programme, including access to the Project's Grievance Mechanism. The SEP is part of the Environmental & Social disclosure package (Hereinafter referred to as: Disclosure Package) including the Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) Land Acquisition and Resettlement Framework (LARF), Non-Technical Summary (NTS), Environmental and Social Action Plan (ESAP) in both English and Montenegrin.

The Project will implement a Grievance Mechanism and address infrastructure related grievances in line with the Stakeholder Engagement Plan (SEP) of the Project. The entire grievance process will be administered and owned by MONTEPUT who has ultimate responsibility. The Grievance Mechanism will consist of a **Central Desk (CD)** with **Local Admission Desks** in both affected municipalities (collectively referred to as Grievance Mechanism) and will be administered by MONTEPUT.

Any grievance can be brought to the attention of the Grievance Mechanism verbally (personally or by telephone) or in writing by filling in the Public Grievance Form (by personal delivery, post or e-mail to the address/number given below), without any costs incurred to the complainant.

Any grievance can be submitted to the **CD** via:

Društvo sa ograničenom odgovornošću „**Monteput**“ Podgorica
To the attention of the Grievance Mechanism for the Mateševo - Andrijevića Project
Att. Milica Bijelovic– Grievance Manager
grievance@monteput.me
office@monteput.me
Address: Avda Međedovica 130
Telephone: +382 (20) 224 493
81100 Podgorica

Grievances will be handled in the following manner. Complaints are received through multiple channels, documented, and acknowledged within 5 working days, with urgent issues escalated immediately. Within 7-21 working days the grievances will be investigated, with the process involving relevant stakeholders while safeguarding complainant privacy. MONTEPUT will discuss the resolution with the complainant and if the grievance has merits the resolution will be implemented within 30 working days. Once resolved, the complaint is closed and monitored, with resolution of anonymous grievances posted on MONTEPUT's website. Dissatisfied complainants can appeal to a second-tier panel in MONEPUT and seek mediation or judicial aid if necessary.

Note: Since this is a Category A project, the disclosure package will be available for public review during a period of 120 calendar days prior to the consideration of the Project by the EBRD's Board of Directors. During the disclosure period, MONTEPUT will encourage stakeholders to comment on the Project. Following the 120-day period, after the public review process is completed, a Public Consultation Report will be prepared and the disclosure package (including this NTS) updated as necessary.

6 Environmental and social management and monitoring

6.1 Environmental and social management plan

An Environmental and Social Management Plan (ESMP) is developed to address the identified environmental and social impacts and other performance improvement measures to meet the Performance Requirements (PRs) of EBRD, in line with EBRD's ESP 2019, taking into account the findings of the environmental and social assessment process and the results of the stakeholder engagement. These are the fundamental requirements based on which the EPC Contractor will be required to prepare the Construction ESMP, accompanied with a set of site specific risk management plans. These will be reviewed and approved by the Supervising Engineer and/or national authorities were relevant.

The ESMP presents the actions that are envisaged for implementing the environmental and social mitigation measures for the project. Specific objectives of the ESMP are to:

- Provide a structured list of actions to be undertaken during the Project lifecycle (pre-construction, construction and operation) to ensure that the environmental and social risks identified during the ESIA process are addressed according to the national requirements and the international good practices and standards
- Provide an institutional mechanism with well-defined roles and responsibilities for ensuring that measures identified in ESIA are implemented.
- Minimizing any adverse environmental, social and health and safety impacts resulting from the Project activities by implementing all suggested mitigation measures and control technologies, safeguards identified through the ESIA process.
- Prevent or compensate for any loss of the affected persons.
- Conducting Project activities in accordance with relevant Montenegrin Laws and the international guidelines.
- Enhance positive environmental and social outcomes.
- Ensure that the ESMP is feasible and cost-efficient.
- Provide a Project monitoring program for effective implementation of the mitigation measures and ascertain efficacy of the environmental management and risk control systems in place.
- Ensure that all stakeholders concerns are addressed.
- Provide assurance to third parties that their requirements regarding environmental and social performance will be met.

The ESMP specifies:

- The potential impacts per environmental and social topic as identified in the ESIA
- Proposed mitigation measures and procedures
- Parties responsible

- Cost (where applicable and/or possible to estimate at current stage)
- Indicators that can be used to assess performance
- Monitoring procedures

The ESMP is comprised of two sub-plans, namely:

- Pre-Construction and Construction Environmental and Social Management Plan
- Operational Environmental and Social Management Plan

It is foreseen, that, in order to address anticipated risks and impacts during the Construction phases a Construction Environmental and Social Management Plan (CESMP) will be developed by the EPC Contractor and will include policies, plans procedures and checklists :

- Environmental and Social Management System
- Workers' Accommodation Management Plan
- Labour Management Procedures
- Construction Environmental and Social Monitoring Plan including monitoring locations, frequencies and standard operating procedures;
- Infrastructure and Utilities Management Plan
 - Construction Occupational Health and Safety Management Plan (ISO 45001:2023)
 - Construction Emergency Response and Incident Management Plan
 - Construction Spill Prevention and Response Plan
 - Construction Biodiversity Management Plan and subsequent Appropriate Assessment
 - Construction Air Quality and Dust Management Plan
 - Construction Noise and Vibration Management Plan
 - Construction Water Management Plan
 - Construction Soil Erosion, Reinstatement and Landscape Management Plan;
 - Construction Waste and wastewater Management Plan
 - Construction Hazardous Materials Management Plan
 - Construction Traffic Management Plan
 - Quarry / borrow pit management plan
 - Blasting management plan
 - Construction Community Health & Safety Risk Management Plan including cross-referencing to supporting plans);
 - Construction Security Management Plan (supported by a security risk assessment);
 - Construction Cultural Heritage Management Plan
 - Grievance Redress Mechanism;
 - Stakeholder Engagement Plan;
 - Management of Change Procedure.

6.2 Environmental and social monitoring

Pursuant to the Law on Environment ("Official Gazette of Montenegro 52/2016"), an entrepreneur who uses facilities that pollute or may cause environmental pollution is obliged to conduct monitoring in accordance with special regulations. Monitoring of the state of the environment is a legal obligation.

Environmental monitoring is proposed for the following:

- **Construction phase:** Flora and fauna, Air quality, noise, water quality, waste quantities, water extraction quantities
- **Operation phase:** Flora and fauna, Air quality, noise, water quality (surface waters and groundwater), wastewater quality, land quality, landscape.

The social monitoring is designed as a set of systematic and ongoing process of collecting, analysing and using information about the progress of implementation of activities and mitigation measures, allowing their strengths and limitations to be assessed. This will help guide and improve performance and assess outputs and activities on site by the EPC Contractor and identify corrective actions. The following parameters will be monitored during regular intervals, most of them monthly:

- The progress in developing the Detailed Design and adaptive design management,
- Permits and certificates to proceed with construction and related activities
- Housekeeping and organization of the Site
- Workers safety
- Discrimination cases amongst workforce
- Labour influx
- Cases of Sexual harassment and abuse
- Community health and Safety
- Labour and occupational health and safety (OHS) including occurrence of fatalities, serious or permanent injuries
- Chance finds and their management during earthworks
- Social conflicts
- Grievance Mechanism
- Land acquisition and resettlement
- Encroachment on private land beyond land acquired for the Project