



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

Gap Analysis & Disclosure Package section Mateševo – Andrijevisa

Updated STAKEHOLDER ENGAGEMENT PLAN Reflecting the Route change from Tunnel Trešnjevik to Andrijevisa

Consultant



PASECO SP LTD
26, Fokionos Negri str.,
11361 Athens, Greece

March 2025

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List of abbreviations and acronyms

AoI	Area of Influence
AIP	Access to Informational Policy
CLO	Community Liaison Officer
CM	Cadastral Municipality
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
EBRD's AIPD	European Bank for Reconstruction and Development Access to Information Policy and Directive (2019)
ESIA	Environmental and Social Impact Assessment
ESMP	Environment and Social Management Plan
EPC Contractor	Engineering Procurement and Construction Contractor
EU	European Union
GBV	Gender Based violence
GM	Grievance Mechanism
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
M&E	Monitoring and Evaluation
MONTEPUT	State owned limited liability company – Project Manager
NGO	Nongovernmental Organization
NTS	Non-Technical Summary
OIPs	Other Interested Parties
SEL	Stakeholder Engagement Log
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment

GLOSSARY	
Consultation	The process of sharing information getting feedback and/or advice from stakeholders and taking these views into account when making project decisions and/or setting targets and defining strategies.
EBRD Performance Requirements	The Environmental and Social Policy of EBRD (2019) ¹ is one of the Bank's three good governance policies and a key document that guides the EBRD's commitment to promoting "environmentally sound and sustainable development" in the full range of its investment and technical cooperation activities. It sets out how this commitment and practice on EBRD projects.
Project	Refers to The Matešev - Andrijeva section of a length of approximately 23.5 km (14% of the total length of the Bar - Boljare Highway) with the starting point after the Matešev interchange, interfacing with the Matešev - Smokovac Section that has been completed and under traffic as of July 13, 2022.
Affected Parties	Includes those affected or likely affected by the project because of actual impacts or potential risks to their physical environment, health, security, cultural practices, well-being, or livelihoods. These stakeholders may include individuals or groups, including local communities.
Other interested parties	Refers to individuals, groups, or organizations with an interest in the project, stemming from project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector, the scientific community, academics, unions, women's organizations, other civil society organizations, and cultural groups.
Route Change	Refers to the proposed changes of the route from tunnel Trešnjek to Andrijeva
Stakeholders	Collective reference to individuals or groups who (a) are affected or likely to be affected by the project (<i>project-affected parties</i>); and (b) may have an interest in the project (<i>other interested parties</i>).
Stakeholder engagement	Is the continuing and iterative process identifying, communicating, and facilitating a two-way dialogue with the people affected by its decisions and activities, as well as others with an interest in the implementation and outcomes of its decisions. It takes into account the different access and communication needs of various groups and individuals, especially those more disadvantaged or vulnerable, including consideration of both communication and physical accessibility challenges. Engagement begins as early as possible in project preparation because early identification of and consultation with affected and interested parties allows stakeholders views and concerns to be considered in the project design, implementation, and operation.
Stakeholder Engagement Plan (SEP)	This document prepared to guide and ensure effective stakeholder engagement.

¹ <https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>

1 INTRODUCTION

Montenegro was supported by a substantial grant from the European Union (EU) via the Project Preparation Facility (PPF) of the EU through services of “Technical assistance for preparation of the Preliminary Design” inclusive of an Environmental and Social Impact Assessment (ESIA), a Stakeholder Engagement Plan (SEP) this document and a Land Acquisition and Livelihood Restoration Framework (LARF) at the level of Preliminary Design developed during 2022, for the 23.5 km section Mateševo-Andrijevisa of the Bar-Boljare Highway (SEETO Road Route 4). The Government of Montenegro through the State-owned road operating company MONTEPUT now intends to construct the Section from Mateševo to Andrijevisa (the “Project”).

This update builds on the 2022 SEP, as enhanced during September 2024, as part of the Disclosure package, observing the Route change. The Route change was led by MONTEPUT during August 2024 in response to community concerns final articulated through community meetings during July 2024.

This updated SEP will guide future Stakeholder engagement activities and has incorporated measures to close past engagement gaps and reflects on the adaptive design management and stakeholders views and concerns in the decision making process. It is part of the Environmental & Social disclosure package (Hereinafter referred to as: Disclosure Package) including the Environmental and Social Impact Assessment (ESIA), Land Acquisition and Resettlement Framework (LARF), Non-Technical Summary (NTS), Environmental and Social Action Plan (ESAP) and other documents as required in both English and Montenegrin.

The Project is developed within Montenegro’s legislative requirements and those of the European Bank for Reconstruction and Development (EBRD) as the Project is expected to be supported through Project financing from this international financial institution. This is why impact assessment and risk management instruments are being prepared compliant to the standards of the EBRD to meet the standards for projects classified as category “A”² in accordance with the Environmental and Social Policy (ESP) (2019).

The SEP outlines the past and future stakeholder engagement process for the Project, providing a systematic approach for MONTEPUT to build and maintain constructive relationships with directly and indirectly affected local communities and other stakeholders. In acting towards resolution of the community concerns MONTEPUT held a series of meetings with all local communities from Mateševo to Andrijevisa, not just those impacted by the route change, between September 4th and September 27th. A detailed description of this process is provided in Chapter 4. Following these meetings and extensive stakeholder engagement activities in July 2024, MONTEPUT acknowledged the concerns and suggestions raised and adopted the Route change from Tunnel Trešnjevik to Andrijevisa. This was followed by a detailed presentation of the changes during September 2024 to all communities along the entire section. Detailed minutes of meetings are available in the Project archive. Despite these efforts and active communication with local communities, there are still occasional individual concerns and criticisms of the Project. These issues, often tied to various motives, are common in linear infrastructure projects involving private land acquisition and land use changes.

These activities are detailed in this updated SEP, which includes relevant information on the engagement process and participatory design management. The document also features a comprehensive Grievance Mechanism, outlining a process for stakeholders to raise grievances and

² Developments on “greenfield” land, or major extension or transformation-conversion projects, which may give rise to significant or long-term environmental and social risks and impacts.

concerns, along with a suggested Grievance Log for risk management and impact avoidance (Chapter 7; Annexes 5 and 6). This mechanism was publicized during community meetings and details its role throughout the project's planning and operation phases.

The SEP will be updated as needed throughout the project preparation (pre-construction), construction, and operation phases to ensure it includes the most appropriate engagement plan. This initial issue outlines the detailed plan for the remaining pre-construction phase, expected to last until mid-2025, and the anticipated plan for the construction phase, scheduled to begin in 2026.

2 PROJECT DESCRIPTION

The designate Highway is approximately 23.5 km long³ section of the Bar - Boljare Highway from Mateševu to Andrijevu. The starting point is at the entrance portal of the 555 m long tunnel after the constructed section Smokovac – Mateševu (interchange Mateševu) which is operational as of July 13, 2022. The Project spans across two administrative municipalities, Kolašin and Andrijevu, directly affecting eight rural local communities. Indirect construction-related impacts may extend to 17 surrounding communities. Additionally, it impacts eight Cadastral Municipalities for land acquisition and resettlement, with one more cadastral municipality, CM Andrijevu, affected due to the route change. The updated list of local communities (Naselja / Mjesne zajednice) with direct and indirect impacts from the Project including the route change is provided in The project will appoint at least one Chief Liaison Officer (CLO) who will provide the main point of contact for stakeholders and undertake regular visits to the project area.

Once appointed, the contact details for the CLO will be added to the disclosed project information. The CLO will be responsible for daily implementation of the SEP activities, such as planning meetings, visiting the community, arranging for the participation of other project team members as required, attending internal project planning meetings, and reporting to stakeholders as described in section 8.

Contact details of the Design and Build contractor will also be made publicly available to the impacted local communities.

In the meantime, and as an additional way of getting in touch with the project throughout, stakeholders can contact the Grievance Manager as designated in chapter 7.

³ The entire length of the Bar Boljare Highway is approximately 169 km long and provides a strategic link from the Port of Bar on the Adriatic Coast to Boljare near to the border with Serbia.

Annex 1- List of settlements directly and indirectly impacted

	MUNICIPALITY KOLASIN	MUNICIPALITY ANDRIJEVICA
Primary Area of Influence DIRECTLY IMPACTED by the land acquisition needs	1. Mateševo 2. Bare Kraljske 3. Sunga	1. Gnjlji Potok 2. Kralje 3. Klanac 4. Sjenozeta 5. Prisoja 6. Slatina 7. Salevici 8. Lugovi 9. Protići 10. Most Bandovica 11. Miravcine
Secondary Area of Influence INDIRECTLY IMPACTED	4. Han Drndarski 5. Krgovići 6. Tresnjevnik 7. Ravni Brijeg 8. Ljubaštica	12. Zabrdje 13. Trepca 14. Lanista 15. Peovac 16. Oblo Brdo

⁴, while figures of the Project Maps are presented in College Komerc, Matesevo Vila Djekic, Kralje,

1. Dzep Zecevic, Bare Kraljske
2. Restoran Tresnjevnik,
3. Dubirog Perovic
4. Eko turs Komovi
5. Eko Katun Komovi
6. Katun I Eko dom Tresnjevnik

⁴ Not all of the settlements are recognized as administrative units by the Law on Administrative divisions.

7. Radmilica Enjoy the view
8. Most Bandovica – hotel and restaurant
9. Kraljska Koliba
10. Kafana Veša
11. Kafe Bar oaza
12. Kuca Račića - Country house

Annex 2: Project Maps.

2.1 Engagement efforts

The development history of section Mateševo- Andrijevisa must be observed and understood in the context of the Bar-Boljare Highway as a whole, but also from the perspective of the 41 km long section Smokovac-Mateševo, under operation since July 13, 2022. The construction of Smokovac-Mateševo section was alike Mateševo-Andrijevisa constrained the land use and was guided by the principles of defining spatial limits for the highway corridor and the land use principles as defined in the Spatial Plan of Montenegro up to 2020. Hence, the principles of defining the highway corridor, including restriction, limits and land use are in place since 2008 and tackles the entire 168 km stretch of the Highway.

The activities undertaken in preparation of the mandatory documentation for the Mateševo-Andrijevisa Section can be observed through **two consecutive development phases**, without overlapping sequences.

The **first phase**, started with the General Design (Louis Berger SAS-Paris, Simm Engineering –Podgorica) in 2008, when three alternative solutions of the alignment were examined. The Design activities continued in 2018 under the Technical assistance services (TA) supported through a Western Balkans Investment Framework (WBIF)⁵ Grant. Under the Scope of work of the TA together with earlier efforts financed by the Government of Montenegro, the following studies were developed:

- Preliminary Design for the Section Mateševo-Andrijevisa adopting Variant 3, approved by the State Review Committee (2022)
- National EIA for the Mateševo – Andrijevisa section, (2024) for which the consent of the Environmental Protection Agency was given with the Decision 03-UPI-652/28 dated May 14th, 2024, based on the above Preliminary Design.
- Preliminary ESIA for the Mateševo – Andrijevisa, drafted under the WBIF, based on the approved Preliminary Design, inclusive of a LARF and SEP, submitted in July 2023, which was not disclosed as final nor consulted.
- 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 **second phase** started during the first half of 2024, and has been determined by:

⁵ 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.

(1) the intention of the Government of Montenegro to request EBRD to financially support the construction of Section Matesevo Andrijevisa, which required assessment of compliance of 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 explore viable alternatives in the endeavour to respond to complaints raised by three out of eight settlements. The underlining concerned argued that the Preliminary design (approved by the SRC) was not adequately consulted with the public and results in detrimental impacts to the functional and spatial integrity, by severance and major physical displacement. By acknowledging the concerns as legitimate and justified, MONTEPUT undertook additional activities in August 2024. MONTEPUT assessed the technical, cost, and other implications to modify the route from the Preliminary Design in the area from Tunnel Trešnjevik to Andrijevisa. This was followed by development of the Schematic Design for the proposed changes, which was presented during September 2024 to all eight local communities impacted by the construction of Mateševo-Andrijevisa. Detailed minutes of meetings are being kept and are available in the Project archive, while the key findings are summarized in project documents. During intensive communication with local communities, majority of participants expressed public affirmation and acceptance of the proposed change. However, occasional individual concerns and criticisms of the route change could have been heard during the consultations which were later put in writing as formal grievances alleging the route was modified disregarding known landslide areas, lacked investigations, violated engineering standards, alleged economic loss resulting from development /construction restrictions on land imposed by the Highway Bar – Boljare Spatial plan. Key takeaways and most significant statements and insights shared by stakeholders from eight local communities during meetings held between July and December 2024 are presented in a separate Consultation report, which will be publicly disclosed along this SEP.

The route change, spanning from the exit of the Trešnjevik Tunnel to Andrijevisa, significantly reduced the number of physical displacement cases, preserved the spatial and functional integrity of three rural settlements, and enabled the sustainable functioning and development of these settlements in the future. The route change has fully met the provisions set out in EBRD PR 5 and PR 10, while also respecting the legitimate interests and demands of these local communities to relocate the route defined based on the Preliminary Design. It should be noted that the active role of MONTEPUT and their willingness to engage in intensive and meaningful communication with local communities in seeking an optimal route that avoids adverse impacts were crucial in the decision to relocate the route.

This is considered as a good practice example as this highlighted that intensive communication, meaningful cooperation, and the involvement of stakeholders, especially impacted local communities in decision making, yield long-term, higher-quality results and, among other things, ensure a better perception and support for the Project. During several months of productive communication with local communities (from July to December 2024), a solution was reached that highly satisfied the demands of the citizens living in the impacted settlements near the highway. This created conditions next stage of implementation of the Project, which is, without a doubt, one of the substantial development interests of Montenegro, particularly its Northern region.

In the assessment and analysis of the social impacts and the implications that the route has on local communities, it is important not to overlook the fact that the area of the route and its surroundings is not a socially empty space. It is an area inscribed with various forms of social interactions and artifacts that have multidimensional material, historical, value-based, symbolic, and other meanings. At the same time, this area is not socially, culturally, or economically homogeneous and hosts social groups with different interests and value aspirations.

The process was guided by combining the expectations and single legitimate interests with the public interest, and shared development goals, and the Government's intention to enhance transport through expanding the network of public roads. The construction of the Bar – Boljare Highway in general, and the Mateševo – Andrijevica section, is an important link to unlocking Montenegro's economic, social, tourism, and cultural development potential.

Concerns of the local communities that some safety and day-to-day living conditions may be adversely impacted by the contractor during construction, and his disregard of the national regulatory requirements and safety standards set for this section, on the basis of experienced disruption and impacts during the construction of the Section Smokovac Mateševo. To effectively address and even prevent such adverse impacts, a Grievance Mechanism has been established, and information about its role and functioning will be made available on notice boards in both municipalities and in the impacted local communities. The availability of the Grievance mechanism has been extensively and in details communicated between July and December meetings.

Attention should be drawn to the fact that the minutes from the public meetings include statements and claims from participants that either deviate from the topic of engagement or are made with side motives. Finally, it is important to highlight there are still unmet expectations of the Bare Kraljske community regarding the construction of the Mateševo – Andrijevica section. The community consistently demands the inclusion of an interchange in the Bare Kraljske area to connect the highway with the Komovi and Bjelasica nature parks. This discussion goes beyond the direct impacts of the Project and are seen as wider development opportunities beyond the scope of the ESIA.

Following the intensive communication and meaningful cooperation with stakeholders, several open residual concerns of a relatively small number of PAPs, It is crucial for future activities related to the implementation of the Project, that MONTEPUT continues its engagement with stakeholders, exercising trust building efforts, at the same time ensuring that other institutional and decision making authorities are guided and adhere to the adopted Project social performance standards.

MONTEPUT will continue engaging with the local communities during the Detailed Design phase, to ensure inclusive adaptive design management for which feasibility can be assessed once the EPC Contractor is selected. The SEP provides details of the consultation and engagement activities undertaken, concerns raised and feedback.

In summary, the route change has been a positive development, reducing displacement and supporting community sustainability. However, there are still unmet expectations, residual and new concerns and opposition to the route. MONTEPUT's engagement with local communities has been instrumental and demonstrates the importance of stakeholder involvement in infrastructure projects. The intention to continue with the communication is essential for the project's success.

2.2 Project design and route

The Project design and route are currently at the stage of the Preliminary Design, which has been approved by the State Review Committee and amended by the detailed Conceptual Design (Idejno rješenje) for the Route change alignment from Tunnel Trešnjevik to Andrijevica. MONTEPUT is in the process of selecting the EPC Contractor (under Yellow FIDIC Conditions of Contract) who will continue the design process and prepare the Detailed Design. This Detailed Design will incorporate and further elaborate on the changes suggested by the Conceptual Design. During the Detailed Design phase, stakeholder engagement and consultation will continue, including with local communities that have raised concerns and provided comments during the ESIA Preliminary Design stage and articulated in July 2024. The Detailed Design will provide micro details of the Route change based on undertaken geotechnical, technical, environmental and other investigations and measurements, including

environmental and social considerations and views provided by local communities during the consultations throughout the design phase but specifically during September 2024. As a reminder, the Route change followed in response to concerns dissatisfaction raised by local communities due to substantial physical displacement and settlement severance impacts threatening the sustainable functioning of three settlements (Gnjili Potok, Kralje, Slatina). These concerns and arguments from citizens in the impacted settlements were confirmed during the Due Diligence conducted by the EBRD and their hired consultancy team, who conducted field visits and community meetings.

As a matter of background, a detailed Expropriation elaborate (design) was prepared in October 2023 as part of the Preliminary design. The Government of Montenegro on February 15, 2024 declared the Public interest for Expropriation and the administrative steps of the expropriation process commenced. In parallel with the development of the Detailed Design, the Design for Expropriation (Elaborat eksproprijacije) on the basis of which the published Declaration of Public interest for expropriation will be amended to accommodate the land acquisition needs for the Route change.

The Route change is a significant additional step in the implementation of this major infrastructure project and mitigates identified and anticipated adverse impacts on the local community and the environment.

The Route change, from the entrance of the Trešnjevik Tunnel to the Andrijeviča interchange is 12.5 km long, and 222 m longer than the route from the Preliminary design. From the exit of the Trešnjevik Tunnel, the route is being relocated below the regional road and it follows the course of the Kraštica River.

2.3 Project status and schedule

The status of the Project and planned schedule is summarised below:

- **Engineering design and Construction schedule:** the Preliminary Design, which includes preliminary routing and layout, has been prepared for the Project as detailed in the previous chapter, and the Detailed Design, including a detailed Conceptual design implementing the Route change have been finalized. The Detailed Design phase is expected to start in 2025 following the award of the Design and Build Contract. MONTEPUT intends to commence construction in late 2025 or early 2026 with a time for completion of 60 months starting from the Commencement date (with additional 24 months Defect Notification Period). The EPC Contractor will likely be a foreign company or a Joint Venture of foreign and domestic companies. This procurement procedure is guided by EBRD Procurement guidelines utilizing the EBRD Standard Bidding Documents.
- **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 - Andrijeviča 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 - Andrijeviča 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. However, the Detailed Design will confirm the exact project land needs and economic and physical displacement impacts after mitigation measures have been considered and operationalized. There are some estimations of the area required including the number of physical and economic displacement cases. The Route change has also changed the physical

footprint, minimized land acquisition and physical displacement. The changes also require changes in the declared and disclosed decision on Public interest.

- **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.
- **Workforce:** The number of workers predicted to be employed for construction on the project overall and its peak is too early to be assessed. Based on recent experience in the Country, during construction of the preceding section (which was completed in 2022 and was double in its length) approximately 3000 foreign and domestic workers were engaged as reported by the media. The workforce for the Project will be commensurate to the magnitude and scale.

2.4 Objectives and Scope of the Stakeholder Engagement Plan

The Objective of the SEP is to establish the methodology for relevant Project information to become available to and widely distribute among all stakeholders in an appropriate format while providing opportunities for communicating stakeholders' feedback, analysing and addressing comments, concerns and grievances. The stakeholder engagement activities are conducted in accordance with:

- Montenegrin regulatory requirements guiding preparation of technical documentation, land acquisition, EIA Reports etc;
- EBRD Performance Requirements on Stakeholder Engagement PR10 coupled with requirements of PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement including the latest Guidance Notes, and
- Existing public relations managed by the PR of MONTEPUT and communication plans already embedded in the companies' day-to day operation supplemented by this SEP to achieve compliance with EBRD.

The SEP may be subject to updates relevant to changes in specific impact areas, stakeholder groups, and specific type and associated technologies and schedule of activities for the project.

3 STAKEHOLDER ENGAGEMENT REGULATORY FRAMEWORK

3.1 Relevant Montenegro stakeholder engagement requirements

The right to receive and access information related to the condition of the environment is a fundamental right granted under the Constitution of Montenegro ensuring a universal right to timely and complete information on the condition of the environment, the right to influence decisions on issues of importance for the environment and to the legal protection of these rights. Montenegro acceded to the Aarhus Convention on the 2nd November 2009, (“Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters”). A summary of the relevant policies, laws, by laws, and regulations of Montenegro, which specifically involve public consultation and disclosure on issues related to area of urban and spatial planning, construction environmental and land acquisition and resettlement and thereby attributable impacts are shown in

Annex 3: [Key laws guiding and mandating Stakeholder engagement in Montenegro](#). The national framework mandates disclosure, information sharing and consultation but not to the extent required by the below described EBRD standards.

3.2 EBRD standards on Stakeholder Engagement (EBRD PR 10)

All projects financed by the EBRD must be structured to meet the requirements of the EBRD’s ESP (2019) which includes 10 Performance Requirements (PRs) for key areas of E&S sustainability that projects are required to meet, including PR10 on Information disclosure and stakeholder engagement. In addition, the EBRD’s Independent Project Accountability Mechanism (IPAM), as an independent last resort tool, aims to facilitate the resolution of social, environmental and public disclosure issues raised by project-affected people and civil society organisations (CSOs) about EBRD-financed projects among project stakeholders or to determine whether the Bank has complied with its ESP and the project specific provisions of its Access to Information Policy; and, where applicable, to address any existing non-compliance with these policies, while preventing future non-compliance by the Bank.

The EBRD’s ESP defines stakeholder engagement as an ongoing process that involves the following elements: (i) stakeholder identification and analysis (ii) stakeholder engagement planning (iii) disclosure of information (iv) meaningful consultation and participation leading to the client incorporating into its decision-making process the views of the affected parties on matters that affect them (v) an effective grievance procedure or mechanism (vi) ongoing reporting to relevant stakeholders. The process of stakeholder engagement should begin at the earliest stage of project planning and continue throughout the project life. An essential element in the stakeholder engagement process – to ensure a meaningful and effective consultation process – is the careful identification of all involved stakeholders and the examination of their concerns, expectations and preferences. Special attention should be paid to the identification of vulnerable categories of stakeholders. The engagement with these stakeholder groups needs to be planned and managed with special care. Furthermore, the EBRD requires that the project developer establishes and maintains an effective Grievance Mechanism, ensuring that any stakeholder complaints are received, handled and resolved effectively, in a prompt and timely manner. This SEP has been developed in line with these requirements and in consideration of the categorisation of the project as Category A under the ESP (2019), requiring a formalised and participatory ESIA process. The land acquisition process will be undertaken in accordance with the requirements of national legislation for projects declared to be of public interest and those of the EBRD, in particular: PR5 Land Acquisition, Involuntary Resettlement and Economic Displacement and associated guidance. A Land Acquisition and Resettlement

Framework (LARF) is developed as part of the disclosure package. The site-specific Land Acquisition and Resettlement Plan (LARP) will be developed in accordance with PR5.

EBRD's Access to Information Policy and Directive (2019) sets out EBRD's commitment to transparency and disclosure and of information and consultation with the public in order to fulfil EBRD's committed to enhancing transparency and accountability, improving discourse with affected stakeholders and fostering good governance in respect of all its Operations and Activities. The project documentation will be disclosed for public on the EBRD website in accordance with this Policy.

"All projects financed by EBRD shall be structured to meet the requirements of the EBRD [Environmental and Social Policy](#) which includes ten Performance Requirements (PRs) for key areas of environmental and social sustainability that projects are required to meet, including PR10 Information Disclosure and Stakeholder Engagement. In addition, EBRD's [Independent Project Accountability Mechanism](#) (IPAM), as an independent last resort tool, aims to facilitate the resolution of social, environmental and public disclosure issues raised by Project-affected people and civil society organizations about EBRD financed projects among Project stakeholders or to determine whether the Bank has complied with its ESP and the Project-specific provisions of its [Access to Information Policy \(the AIP\)](#); and where applicable to address any existing non-compliance with these policies, while preventing future non-compliance by the Bank."

For "Category A" public sector projects, the AIP in addition to the disclosure required of the clients under the ESP, EBRD will make available environmental and social impact assessments on the EBRD website in its Headquarters in London and in the relevant EBRD Resident Office a minimum of 120 calendar days prior to Board consideration.

4 SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT

The Project has been involving stakeholders in the past, yet it has been assessed the process needs to be strengthened to examine their concerns, expectations and preferences. This SEP has incorporated measures to enhance and strengthen the participatory process on providing relevant Project information to impacted settlements and communities, within the Projects' direct and indirect areas of influence in the future and receive feedback and ensure inclusive decision-making process. After the citizens in the impacted local communities expressed their concerns and publicly announced their critical comments to the route adopted by the Preliminary design for the Mateševsko - Andrijevica Section, activities were undertaken to resolve the aforementioned concerns and reduce the most prominent adverse social impacts that the route was to impose to local communities. Starting from the basic principles and requirements of the EBRD in relation to the legitimate rights of citizens in impacted local communities, MONTEPUT has established active and meaningful communication and cooperation.

In going forward, the Project will continue to actively and meaningfully engage with and work together with the local communities in providing detailed presentation of the Project, its timeline and particularly the risks and impacts of the route and by jointly discussing concerns, request and comments raised so far in the endeavour reach to build trust and partner with the local communities as one of the final beneficiaries of the Project.

During July 2024, MONTEPUT was represented during community meetings in the course of developing the Disclosure Package with the communities Kralje, Bare Kraljske and Slatina. This followed with a series of stakeholder engagement and consultation meetings during August and September 2024. During the updates of the ESIA package, site visits and community meetings were undertaken between December 2-5, 2024. MONTEPUT maintains a detailed stakeholder log part of the Project database, while key activities that have taken place to date are presented in **Error! Reference source not found..**

The most significant stakeholder's concerns before Route change included:

- Significant number of physical displacement cases overall and in settlement Kralje, Gnjili Potok and Slatina in particular,
- Severance impacts and risk from spatial dissolution of a well-integrated and coherent local community of Kralje,
- Exclusion of the impacted local communities in early decision making, dissatisfaction with past consultation and public discussion of the potential adverse impacts of the Preliminary Design, including future living conditions in impacted local communities, particularly in the settlement Kralje, and Slatina,
- Loss of agricultural land which is very limited resources in this area,
- Impact on local water reservoirs providing water supply to the settlement Kralje,
- Request to reroute the alignment at least in the area of the settlement Kralje (including avoidance of impact to the local school, church, cemetery, homeland museum, etc.) and in the settlement of Slatina,
- Development restrictions on remaining non expropriated land imposed under the Law on roads and the establishment of the protection zone and zone of controlled construction,
- Request for the Project to plan and design an additional interchange in the area of the settlement Bare Kraljske,

Concerns that are still raised sporadically, are deteriorated living conditions of residents who will remain to live along the route and will be exposed to negative impacts from the operation of the highway or are fronting the highway. The issue with the required additional interchange in Bare

Kraljske continues to be among the focal topics of each of the community meetings in Bare Kraljske and requires decision making at national level and is beyond the ESIA mitigation measures and recommendations.

Concerns that remained are:

- Public safety during construction due to the presence of heavy machinery and vehicles in communities,
- Preservation of local roads from deterioration due to use of these by the future Contractor,
- Request that environmental and social harms experienced during construction of the preceding section (Smokovac-Mateševó) are avoided or minimized, and
- Restrictions in new development on land imposed by the spatial plan.

Following the July meetings, the concerns and grievances of the local communities have been further articulated.

From July to September 2024, MONTEPUT organized two thematic blocks of public meetings with citizens from all local communities. The first block, held on July 23 and 24, 2024, focused on the adverse impacts of the route set by the approved Preliminary Design. As a result, MONTEPUT explored ways to avoid these most significant and prominent impacts. The second thematic block followed after MONTEPUT completed the Conceptual Design for the Route change. This design was presented to the public during meetings held between September 4 and September 27. Specific meetings included: September 4 in Andrijevíca with 40 participants, September 18 in Kralje for the communities of Gnjlí Potok, Sjenozeta, Trešnjevik, and Kralje with 35-40 participants, September 19 in Slatina with 40-45 participant, September 27th in Bare Kraljske and Mateševó for communities of Bare Kraljske, Mateševó and Sunga. These meetings had different dynamics.

A separate Consultation report contains a Summary of Key Findings from eight public meetings in the local held during July to September 2024.

The Route change required an update of the ESIA (and other documents comprising the Disclosure package) with site visits and meetings undertaken between December 2 through 5, 2024.

5 PROJECT STAKEHOLDER AND COMMUNICATION METHODS

Stakeholder identification has been conducted based on: (i) analysis of information about the potentially affected area (project area of influence) (ii) analysis of information about the municipalities and communities in the project area of influence (iii) consultations with statutory bodies with responsibilities related to the Project (iv) analysis of local service providers (education and health service providers) (v) analysis of existing CSOs, including community-based organizations (CBOs), and NGOs at the national and local levels interested in social and environmental issues.

Stakeholders are divided into the following groups based on their level of interest and influence:

- **Institutional category** of stakeholders who are directly responsible for aspects of project decision-making and have a role in granting regulatory approvals and monitoring and enforcing compliance with national legislation and plans throughout all stages of the project,
- Groups or individuals **directly or indirectly affected, positively or negatively**, by the project (affected parties) or have been identified as most susceptible to changes associated with the Project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures, and
- A broader category of stakeholders **who may have an interest in the project** or who may influence the Project (other interested parties).
- Further disaggregation refers to those individuals and groups who may find it more difficult to participate or who may be differentially or disproportionately affected by the proposed Project because of their marginalized or vulnerable status (vulnerable or marginalized groups or individuals).

This SEP focuses on stakeholders who do not have formal relationships with MONTEPUT and the Project and who, thus, may wish to use this document for information and guidance. Mechanisms for engagement with future contractors, service and goods provider, lenders and government officials, with which MONTEPUT has regular contact during its business and during planning and implementation of the Project, are not addressed in this document. Stakeholders identified to date, based on previous stakeholder engagement, primarily for the Draft Scoping Report (2022), the draft ESIA (2022) and the results of site visits undertaken by members of the ESIA team, and subsequently during site visits undertaken in the course of developing the Disclosure package in July and August 2024 are categorized and listed below.

5.1 Institutional category of Stakeholders

Delegation of the European Union (EUD) to Montenegro	IPA II contributes grant funding to the WBI. The EUD is responsible for managing IPA II for the programming period.
National IPA Coordinator (Office for European Integration within the Prime Minister Cabinet)	Within the context of the WBIF, the NIPAC is responsible for coordinating with line Ministries to establish a Single Project Pipeline (SPP). The NIPAC functions as a first-contact point to receive WBIF Grant Application Forms from beneficiaries and priorities them for the Project Financiers' Group.
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.

Ministry of Finance	Representing the Government of Montenegro as the Borrower towards EBRD
Ministry of Ecology, Sustainable Development and Northern Region Development	Directly responsible for aspects of project decision-making and have a role in granting regulatory approvals and monitoring and enforcing compliance with national legislation and plans throughout all stages of the project.
Environmental Protection Agency	Directly responsible for aspects of project decision-making and have a role in granting regulatory approvals and monitoring and enforcing compliance with national legislation and plans throughout all stages of the project.
Ministry of Culture and Media	Directly responsible for aspects of project decision-making and have a role in granting regulatory approvals and monitoring and enforcing compliance with national legislation and plans throughout all stages of the project.
Ministry of Labour, Employment and Social Dialogue	Directly responsible for aspects of project decision-making and have a role in granting regulatory approvals and monitoring and enforcing compliance with national legislation and plans throughout all stages of the project
Administration for Inspection Affairs	Directly responsible for Environmental and Social oversight of contractors Environmental and Social performance and implementation of E&S Project pertinent laws and regulations.
MONTEPUT d.o.o.	A state-owned limited liability company responsible for construction supervision, design supervision, preparation of project documentation, preparation of tender documents etc. for the Project
European Bank for Reconstruction and Development (EBRD)	The lead IFI
Municipality of Kolašin with its departments	Local government relevant for land acquisition and permitting.
Municipality of Andrijeviča with its departments	Local government relevant for land acquisition and permitting.

5.2 Directly Affected Parties

The methodology applied to identify the directly affected parties within the **Project Area** and refers to the following: (i) The land where permanent works will be executed (e.g. highway infrastructure corridor, rest areas, access roads and any other permanent facilities) and land where access right is obtained (Right of Way); and (ii) The 'temporary construction working areas' necessary for construction including highway working areas, construction compounds, accommodation camps (if

any), new access roads or areas adjacent to access roads necessary for the purposes of construction; borrow pits (if any) for sand, aggregates and other selected material, stockpiling areas for backfill material or other demolition waste, including waste from dismantling works related to small portions of the existing regional road R19, or any other location required for the construction of the Project.

The **Project Area** is sub-divided into the:

- **Primary Area of Influence** - identifiable by impacts stemming from Involuntary Land Acquisition and Resettlement, livelihood, restriction and severance impacts from construction and operation phases related to the Project. This area consists of the corridor and area of physical footprint of the Highway (including the road, bridges, tunnels at exit and entrance portals, interchanges, access roads maintenance base and toll station.) between Mateševsko and Andrijevička.
- **Secondary Area of Influence** – extends to the temporary construction and permanent operation phase facilities (Transport routes, material transport from borrow areas, quarries, location for pre-casting of elements, batching plants main construction site offices etc – these are not known yet and will be reflected in a subsequent update of the SEP) defined as an area of 2 km around the boundary of the designated physical footprint at points of interaction of the local roads with the alignment of the Highway.
- **Area of Cumulative impacts** - the interface between the earlier section (Smokovac - Mateševsko) and this Project where minor cumulative impacts are unlikely as that section is under the Defect Notification Period and works, if any, may be expected in remedying potential defects.

An updated baseline list of affected parties is provided in Table 1 below.

Table 1: List of Affected Parties

Project Stakeholder Group - affected parties		Nature of interest/impacts
Individuals and communities	Owners of land and assets impacted by expropriation directly impacted within settlements in the Primary area of influence named in Annex 1	Impacts, mitigation and compensation measures. Eligibility criteria and entitlements. Timeline for expropriation, compensation methodology, payment of compensation and handing over the land. Interest in project impact on their livelihoods and understanding the compensation procedure and additional support and assistance in restoration of living standards.
	People permanently residing indirectly impacted within the Secondary area of influence but whose elderly parents and families live in the project area, and those only present in or visiting seasonally or occasionally. ⁶	Interest in potential impacts during civil works, duration of civil works, traffic management plan, labour influx, employment opportunities. Interest in safety standards of designed underpasses or overpasses.
	R 19 from Mateševu to Andrijeva Road users (including transit and commuting users)	Potential development restrictions imposed by the project in the Highway protection zone. Concerns about disruption of traffic on R19 Regional Road Andrijeva - Mateševu, interested in disruption caused by works, road closure, diversion of traffic, in expectation of efficient and safe transport service. Community health and road safety concerns during construction due to potential interaction between civil and construction traffic Access to social services during construction activities. Construction works timeline and timetable

⁶ The population within the physical footprint of the Project tends to decrease significantly during the winter period

Project Stakeholder Group - affected parties		Nature of interest/impacts
	Persons living near the entrance and exit tunnels of the Trešnjevnik tunnel	Potential hazards and safety in tunnelling and excavation activities specifically from : - Drilling, - Explosive and blasting - Blasting area awareness and Communication of the blasting safety protocol including siren signals
Community elected representatives - presidents of Local Communities (Mjesna Zajednica)	In the Project Area of Influence (directly or indirectly affected in the Primary and Secondary area of influence listed in Annex 1)	Key focal points for communication, receiving information about the stakeholder events and future Stakeholder engagement. Concerns about the route, community health and safety, traffic construction related impacts (noise, dust, damages, drainage, local roads and damages to the road network, emissions, vibrations)
Legal Entities	Local hospitality and restaurant/café's and road shops operating only during summer on the R19 Road (details are listed in Annex 1a)	Concerns about disruption of business and operation for those impacted by land acquisition needs, health and safety issues during construction and opportunities for economic activities in catering and accommodation services to Contractors and Sub-Contractors for others.
Vulnerable groups ⁷	Individuals/groups in either of the above categories with details provided in the LARF (3.4 table 4) and ESIA 6.16 and 6.17.	Elderly single and two members households without members below 65 years of age), and persons with disabilities living in households below the poverty line or in risk of poverty and persons with disabilities living in elderly households (single and two members without members below 65 years of age), in particular those living in villages on mountainous areas and in settlements where modern technology and ITC penetration may be occasionally disrupted ⁸ . Vulnerable groups in the context of land acquisition will be identified during the detailed socio-economic survey for development of the LARP.

⁷ Based on the information from the Municipality of Kolašin and Andrijevica there are no Roma settlements in the Project area. Roma owners of land and assets (if any) attached to land subjected to expropriation are not considered a priori as vulnerable.

⁸ During the July 2024 the consultant team witnessed power outage and internet disruption which reportedly is common

5.3 Other Interested Parties

'Other Interested Parties' constitute individuals, groups, entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the Project and/or who could affect the Project and the process of its implementation in some way. Accordingly, there are a number of other stakeholders who have a stake, have expressed, or may express interest due to a variety of reasons. They include project implementing agencies, project partners, political institutions, service providers, host communities, civil society organizations, NGOs, religious institutions, political authorities, academic institutions, and project beneficiaries.

The key stakeholders having interested in the Project, its development objective, adverse and positive impacts are summarised in [Annex 9: Other Interested Parties](#).

6 STAKEHOLDER ENGAGEMENT PROGRAM

6.1 Responsibility for SEP Implementation

MONTEPUT has the role of Project manager. In its role it will manage design, construction and supervision works and has the ultimate responsibility for implementing this SEP. MONTEPUT in its practice uses website (<https://monteput.me/>) and its

Facebook (<https://sr-rs.facebook.com/MONTEPUT/>,

Instagram https://www.instagram.com/monteput_official?igsh=Y3E1amsyZDk5enhl&utm_source=qr

official accounts to provide relevant information to the public. This practice will be enhanced for the Project by dedicating a webpage for the Project and will use electronic, digital and printed media (TV, newspapers, radio, online media) to reach and inform stakeholders. The website is updated regularly and contains information on: operations (work plans, financial and audit reports, policies, procurement opportunities and decisions, progress in relation to the planning, construction and operation of the Bar – Boljare Highway, issues in relation to land acquisition, environmental protection, cultural heritage, safety, tolling and traffic related information, MONTEPUT contacts, corporate social responsibility programme, etc.

MONTEPUT will ensure that the Stakeholder engagement program is implemented in a formalised and structured manner. For complaints, grievances or suggestions MONTEPUT has operationalized a Project specific Grievance Mechanism as described in Chapter 7. A Stakeholder Engagement log, Complaints and Grievance register, Records of formal consultation and a Commitments management register will be diligently kept.

6.2 Proposed Strategy for Disclosure

Two packages of interrelated documents will be made available to the public at different Project stages. The first, referred to as the „Disclosure package“ contains environmental and social assessments, technical documentation and reports required for Project approval both by EBRD and the national authorities (The Scoping report of the draft ESIA has already been subjected to public consultations and has been approved in 2022). Subsequently there will be documents and information either deriving from the Disclosure package or requested by this SEP which will be shared via the communication and feedback tools adopted through this SEP.

The **Disclosure Package for this Project** will be in English and Montenegrin and includes:

- This update March 2025 SEP;
- E&S Assessment i.e. the ESIA (updated March 2025);
- National EIA,
- Land Acquisition and Livelihood Restoration Framework (LARF) updated March 2025;
- Environmental and Social Action Plan (ESAP) updated March 2025;
- Non-technical Summary of the ESIA (NTS).

and will be disclosed electronically on the following website together with invitations to any public consultation, discussion or meeting:

- The website of MONTEPUT (<https://monteput.me/>)
- The website of Municipalities Andrijevica (<https://opstinaandrijevice.me/>
- The website of Municipalities Kolašin (<http://www.opstinakolasin.me/>)
- EBRD's website (www.ebrd.org).

Given the constraints of digital inclusion in most of the areas within the Project area of influence, information that documents have been disclosed and the details of the planned public consultation, discussion or meeting will be sent directly to the Community elected representatives - presidents of Local Communities (Mjesna Zajednica) with printed copies made available:

- In the community offices of the local affected communities - Mjesne zajednice (from Annex 1 both categories).
- In the headquarter of MONTEPUT in Podgorica,
- In the offices of Municipalities Kolašin and Andrijevica, and
- Pertinent documents during each public consultations for review.

Notification that the Disclosure Package is available to the public and how and where it can be accessed including an invitation to attend the public presentation and consultation meeting will be also announced through:

- Social media campaigns, and
- Newspaper and radio announcements.

The disclosure package will remain 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 assisted by external consultants engaged in development of the Disclosure package will organise public consultations and encourage stakeholders to provide feedback. Following the 120-day period, after the public consultation process is completed, a Public Consultation Report will be prepared and the disclosure package updated as necessary.

Documents beyond the disclosure package deriving from the Disclosure package or requested by this SEP e.g. Site-specific management instruments developed to manage environmental and social risk and impacts such as Contractors Environmental and Social Management Plan (C-ESMP), Land Acquisition and Resettlement Plan (LARP), Safety Protocols, and other relevant Project documents shall be disclosed and consulted in the same manner as presented above. Contractors' documents related to management of environmental and social risks during construction (such as Traffic Management Plan, Emergency preparedness and response plans, Codes of Conduct for Employees and Contracted workers, Biodiversity plans, etc.) shall be in public domain through disclosure on the Contractors website of which the local communities again will be informed through their Community elected representatives - presidents of Local Communities (Mjesna Zajednica).

6.3 The Project Communication and Engagement timing and methods

During July and September 2024 the most important discussions and consultations have been held related to the route of the Project. The main communication and engagement mechanisms are presented below and represents the Project's commitment for implementation of the Stakeholder engagement programme by type of engagement event and phases of the project, and shall maintain documented record by utilizing the guidance in Annex 7 of this SEP:

Discussions about the Project route and alternatives considered as a basis for development of the Detailed design: During July – September 2024 MONTEPUT scheduled and organized discussions in all local communities directly and adversely impacted by land acquisition and resettlement to identify options to avoid or minimise adverse social impacts. The meetings have provided space for the local communities to get a full understanding of the Project and particularly the new one. MONTEPUT presented technically and financially feasible modifications to the route based on the Preliminary design in response to community concerns and grievances raised. The discussion was facilitated by a detailed presentation of the Preliminary Design, the Route change and a comparative presentation and how the design is suggested to be modified to avoid social risks, especially those from land

acquisition, resettlement and severance. The participants were given space and opportunity to provide feedback and comment the proposed modification. Information and materials were presented in a graphic video presentation <https://www.youtube.com/watch?v=cJvZvclD00A>.

Engagement during development of the Detailed design: MONTEPUT will inform the public and local communities from Annex 1 that the EPC Contractor has been selected and present the final route.

Land acquisition and resettlement and related socio-economic survey: MONTEPUT has developed an inventory of persons impacted by land acquisition and resettlement and is in the process of developing the inventory of assets. Given the considered changes to the route the census in these areas are dependent of the Detailed design. By end of March 2025, and in advance of the activities to be undertaken as part of the LARP development process, MONTEPUT will distribute the Guide to Land Acquisition and Resettlement (GLAC) (as guided in Section 5.2 of the LARF) and the Public Grievance Leaflet (see Annex 6b) to all Local Communities. The socio-economic survey will be announced through the Community elected representatives - presidents of Local Communities (Mjesna Zajednica). For potential encroachers and squatters, a moratorium notice shall be made by end of March 2025 to serve as the Cut-off date for eligibility to entitlement. The moratorium notice shall be published in local newspapers and disseminated to Local Community offices for publication on their notice boards and frequently visited public places.

Public Disclosure, Presentations, and Announcements: Public will informed of the publication of Disclosure package and associated management documents. Meetings will as needed include PowerPoint presentations, printed large scale maps on google earth or cadastral layout, that aim to give attendees visual information and to summarise written disclosure documents. MONTEPUT website will have a dedicated Project page disaggregated by the following topics in the main Page:

- Project Background,
- Construction and Schedule of works,
- News,
- Land acquisition and resettlement,

MONTEPUT will update its website regularly (the frequency will depend on the type of information to be disseminated) with key project updates and reports on the project's environmental and social performance both in English and Montenegrin. The project will utilize social media as appropriate.

Communication materials: Written information, Guidance notes on how to access the Grievance Mechanism, GLAC with brief information on the expropriation process and entitlements will be provided through, formal signs and notices as per legal requirements. Suggestion boxes will also be installed for uptake of public comments and suggestions by using the Comment form in Annex 6a.

Grievance Mechanism: A specific Grievance Mechanism is set-up for the Project. Details on the GM are presented in chapter 7.

Information Desks: Information Desks will provide local residents with information on stakeholder engagement activities, construction updates, contact details of MONTEPUT. Such information desks will be set up in the premises of MONTEPUT in Podgorica, with mobile teams and the CLO who will be on the site where they can meet and share information about the project with PAPs and other stakeholders. Brochures and fliers on various project related social and environmental issues will be made available at these information desks. Questions, general requests or requests for information, regarding the project activities, that may or may not be related to a specific incident or impact can be posed to the Information desk. Depending on the type of request, the CLO will ensure these questions are responded to either individually or by sending information to the Local community offices (Mjesne zajednice) to disclose on the noticeboards.) A summary report of questions and concerns will be

provided monthly to the senior managerial level of MONTEPUT acting as 'early warning' signs, enabling swift actions to be taken to address the concerns and, thus, avoiding escalation into grievances.

Citizen/PAP perception survey and feedback: In addition to the feedback space on MONTEPUT website sample-based stakeholder satisfaction surveys to collect feedback on: i) engagement process and the quality and effectiveness of methods ii) level of inclusiveness in the engagement process, iii) quality of the communication and dialogue with the internal stakeholders (MONTEPUT, Contractor, GM etc.) during construction works. The survey results will be soliciting feedback on the effectiveness of the project activities that will be used for communication level improvements. The survey data will be disaggregated by age, gender and location. Survey results will be published on the Ministry website and discussed at consultation meetings.

Formal legally required meetings: Meeting related to land acquisition and resettlement will in first instance follow the Law on Expropriation and the Bar - Boljare Highway Law. The communication shall be formal, via courier, with evidence of receipt, notification periods in line with the national regulation as supplemented with the LARF and LARP.

Citizens/PAPs concerns and issues in avoiding escalation into grievances: Refers to questions, general requests or requests for information, or perceptions regarding the project activities, that may or may not be related to a specific incident or impact.

Table 2: Stakeholder engagement activities – Pre -construction phase

Stakeholder group	Activity and timing	Method/detailed content
Pre-construction including Detailed Design		
MONTEPUT anticipates construction activities will begin mid-2025, with preparatory works that might commence earlier, pre-construction is the engagement from now until then		
Local communities directly impacted by land acquisition: - Mateševo - Sunga - Bare Kraljske - Gnjlili Potok - Sjenozeta - Kralje - Slatina - Andrijevisa	In person meeting with impacted local communities about any concern and grievance raised (formally or informally) up to now. Design and implementation decisions considering stakeholder perspectives. Presentation and discussion on the Preliminary Design, alignment, project timeline, alternatives and modifications proposed to the Preliminary design to be operationalized in the Detailed Design and those suggested by the local impacted communities. The alignment will be jointly analysed and viable, technically and financially feasible alternatives explored. Commenced in September 2024 and will continue until completion of the Detailed Design	Face to face meeting. Announcement of meeting and distribution of material to be discussed shall happen at least 7 working days ahead of the meetings. Meetings will be scheduled through Presidents of the impacted Local Communities as requested during the July 2024 community meetings. List of Presidents and their contact details is known to MONTEPUT and will not be publicly disclosed. A presentation by using a printed map and excerpts from the Preliminary design of the project footprint as per Preliminary design. Discussion about the requests to change the route/alignment submitted by impacted local communities. Detailed explanation on the technical and financial viability of the requested modifications and discussion about constraints. Detailed presentation of modification to the Preliminary Design considered by MONTEPUT. Following each meeting formal minutes will be drafted with joint conclusions and agreements reached. Outstanding and divergent points shall be highlighted and background rationale of both sides captured. The Minutes of meetings shall be formalized through signatures of both MONTEPUT and the local community in question. Each meeting, engagement and discussion will be captured in the Stakeholder engagement log, Minutes of meeting drafted and copies of the Minutes furnished to both sides, and kept in the archive of MONTEPUT. Following the agreed and mutually acceptable modification MONTEPUT will amend the Tender documents to include mandatory amendments in the agreed areas in Detailed Design.

Stakeholder group	Activity and timing	Method/detailed content
		Progress will be communicated to the impacted Local communities.
Presidents, residents, businesses and land and amenity users of the towns and villages within the project area of influence. (See following row for additional measures for person(s) experiencing either physical or economic displacement as a result of project-related land acquisition or restrictions on land use, other assets or natural resources (project-affected persons, PAPs).	Description of project and rationale, timeline and activities, SEP, key E&S impacts, relevant mitigation measures. Activities for ESIA development and disclosure, including potential activities related to baseline information gathering. Timing is indicated in the next column by activity.	By end of March 2025: The following documents will be available on MONTEPUT website (https://monteput.me/): ▪ this updated SEP ▪ draft ESIA NTS (one-page A4) describing in summary terms: the project; potential alternatives; the ESIA process; impacts identified; a description of the engagement process and the grievance process; contact details ▪ updated LARF ▪ a draft of the Guide to Land Acquisition and Compensation (GLAC) ▪ ESAP Hard copies of the documents will also be available in the Municipalities of Andrijevac and Kolašin offices and offices of local communities (Mjesne Zajednice). Official correspondence and meetings with presidents of local communities. The schedule for these will be set during the initial communication with the presidents of local communities. MONTEPUT will enquire about any community social media that could be considered for inclusion in the engagement programme and about any other means to aid information disclosure such as placing hard copies in communities and their frequently visited public places (local schools, Mjesne zajednice, churches, etc). MONTEPUT will continue to provide information about the GRM process. Additional engagement needs will be considered to address any barriers to inclusion. The project will continue to investigate whether any existing community forums could be utilized beyond those already identified. Specific activities will include: ▪ public disclosure of the draft ESIA and associated documents, it must be available on the internet and in hard copy for a minimum of 120 days and its

Stakeholder group	Activity and timing	Method/detailed content
		availability advertised in the national newspaper at least 28 days ahead of public consultation meetings - public meetings on the ESIA; it is currently planned that public meetings will be held separately in Kolašin and Andrijevica; and notice provided to the public, at least 28 days in advance of this meeting - the final ESIA will remain in the public domain (available online and by request) for the duration of the project. The public will also be able to use the grievance process described in section 7 below. Information regarding the grievance procedure will also be widely disseminated to affected municipalities and affected local communities. The project NTS and EBRD Environmental and Social Action Plan (ESAP) for the project, which summarizes remaining actions with respect to E&S for project lender financing will also be disclosed once available as part of lender due diligence.
Project affected persons affected by expropriation	The LARP will set out the detailed engagement plan for consultation with affected landowners and users. Timing for the next 4-6 months is indicated in the next right column by activity. The programme includes taking the opportunity, where possible, for the meetings for land acquisition to also plan work with the community to avoid working at sensitive times and confirm any impacts on local access during construction and operation.	For the activities below, if opportunities are available to combine engagement activities with the activities for the Disclosure package this will be done to make the most of stakeholders' time. By the end of March 2025: Landowners/land users/business owners affected by land acquisition will also be invited to group meetings focused on the land acquisition process for the project. Information and activities will include: - a GLAC and the proposed Entitlement Matrix from the LARF in a concise and easy-to-understand format; this will also be available at municipal offices; - a presentation of the Project footprint per Preliminary Design with route change to be incorporated in the Detailed Design and affected land and assets; effects on access to land (including identification of whether land outside the footprint may be orphaned or subjected to development restrictions); agree mitigation measures; announce and describe the socio-economic survey/ census by MONTEPUT; land and asset surveys and the process of valuations of properties; present an initial entitlements matrix and types and method of compensation

Stakeholder group	Activity and timing	Method/detailed content
		- explanations will be provided of the revised access arrangements and access to the Project when completed; this will include the use of clear maps and a list of underpasses and local service road access arrangements - allowing MONTEPUT to gather some key socio-economic data, including livelihoods data, in order to identify any specific needs and vulnerabilities and inform additional support or assistance necessary, including livelihoods restoration support - these sessions will also offer the PAPs an opportunity to discuss any land related matters they would like. In parallel with these activities, MONTEPUT will undertake one-to-one engagement with households whose residential structures are physically affected and with business owners whose businesses are directly affected, including undertaking a detailed socio-economic survey; the socio-economic survey will enable MONTEPUT to identify specific needs and any vulnerabilities to inform additional resettlement support for/and assistance necessary, including livelihood restoration support; in addition, this direct engagement will enable discussion of compensation options (for example, cash compensation at replacement value plus moving allowances or replacement property). From March 2025 onwards: - individual meetings to present proposed compensation as required under the Law on expropriation - communication to individuals of any non-statutory compensation measures being proposed by the Project - disclosure of the draft LARP - engagement then continues as detailed in the LARP
Municipal government including all relevant departments: Municipality Kolašin	By end of March 2024: description of project and rationale, timeline and activities	Meeting with representatives of municipal administration and departments responsible for infrastructure development, E&S issues and economic development. Meeting to include: presentation of project development, alignment and E&S impacts and mitigation, further communication and collaboration during the project development and stakeholder engagement,

Stakeholder group	Activity and timing	Method/detailed content
Municipality Andrijevisa.	■ describing and agreeing roles and processes for engineering design, ESIA, and other permitting, including ideas for facilitating access to vulnerable groups and gender inclusion more broadly ■ sharing the SEP, key E&S impacts, and potential mitigation measures. Subsequent meetings will be planned in accordance with the outcome of this meetings	including how grievances regarding the project might be registered via the municipality, including local availability of grievance forms. Official correspondence and meetings as agreed above are likely to include the provision of information on project progress and issues that concern local communities, for example, issues in relation to general planning, utilities and infrastructure management, traffic management, health, safety and security issues, emergency response, general environment, including waste management and so on. Meetings will specifically cover any potential effects on the concerns raised by the public to date. Communication will follow established procedures in line with national or local regulation.

Table 3: Stakeholder engagement activities –Construction phase

Stakeholder group	Activity and timing	Method/detailed content
CONSTRUCTION		
(Construction is planned to start in Q3/Q4 2025 , and be completed tentatively by 2030 with additional 2 years of DNP)		
Residents, businesses and land and users of the Local settlements listed in Annex 1 within the project area of influence. Presidents of local communities in the settlements within the project area of influence. Users of roads and access roads in the construction area.	Ongoing, including advance, engagement on project timeline and activities, including updates on construction activity. Health and safety impacts. Employment opportunities. Environmental concerns. Any public safety messages. Advertisement of employment or supply opportunities. Information on impact mitigation measures including those in the transport management and community and health, safety and security plans.	MONTEPUT (possibly via the design and build contractor) will at a minimum: - inform the public of the general timetable for construction activities for the first time 30 days before the Contractor is mobilized and starts with on the ground activities - provide safety briefings to communities before construction begins and at least 30 days before commencement of preparatory activities - inform affected communities on the progress of construction every 2 months - inform affected communities about any construction activities that may affect them, in advance of the activities, including any significant anticipated impacts and proposed mitigation measures as defined in the ESMP (including disclosing the project ESMP), seeking feedback on the success of the implementation of these measures. Mechanisms will include information boards installed at project borders with general information on the Project, the Contractor, Works Supervision, construction permit number and schedule of works and a poster/leaflet reminding stakeholders of the Grievance Mechanism available. Updates will also be posted on MONTEPUT website and Municipality Kolašin and Andrijevisa website and on community bulletin boards. Construction signs and safety messages will be in place. Focus group/small group meetings to continue to identify or monitor impacts and agree and implement mitigation measures as needed, for example, on road safety or traffic management. Individual meetings and face-to-face discussions, as needed, to respond to stakeholder questions or concerns. Official

Stakeholder group	Activity and timing	Method/detailed content
		correspondence as needed. The public will also be able to use the Grievance Mechanism described in section 7 below. Information regarding the grievance procedure will also be widely disseminated to affected municipalities and affected local communities.
Municipal government	Ongoing update on project timeline and activities, including plans for stakeholder engagement and the Grievance Mechanism. Any additional activities as agreed during preconstruction engagement.	Methods as agreed during pre-construction engagement. Official correspondence and meetings as agreed above including the provision of information on project progress and the addressing of issues that concern local communities, for example, issues in relation to general planning, utilities and infrastructure management, traffic management, health, safety and security issues, emergency response, general environmental including waste management, community plans and activities, and so on.
National government	Activities required for ongoing regulatory approvals or requirements. Financing issues	Official correspondence and meetings, regulatory applications, site inspections as needed by approvals.
Other organisations: NGOs, CSO, media	Updates on project activities Updates on Environmental and Social Performance	In addition to the disclosure and public consultation measures outlined in this table, individual meetings and official correspondence as needed.
Potential partners: Contractors and primary suppliers, workers and their representatives	Contractor and supplier engagement activities.	Official correspondence, meetings, site visits. Engagement as per the contractor recruitment and procurement plans including the means to advertise any employment or supplier opportunities locally, most likely through the municipal website and/or community noticeboards or newspaper(s). Internal human resource processes are outside the scope of this SEP

6.4 Proposed Strategy to incorporate the views of vulnerable groups

The Project has already taken special measures to ensure that disadvantaged and vulnerable groups have equal opportunity to access information, provide feedback, or submit grievances. The Project has liaised with the Centres for Social Work in both Municipalities to conduct a rapid vulnerability assessment to be further assessed during the socio-economic survey for the LARP.

Some of the strategies to effectively engage and communicate to vulnerable groups:

- Elected representatives of the Local Communities (Mjesne Zajednice) have been appointed as focal points to receive key messages, information and announcements to key Project events. They will then ensure that this information are well distributed across the different social groups of their communities including those living in very remote areas.
- **Women:** Women are not recognized as vulnerable group in the Projects area per se. Nonetheless, engagement activities will be tailored to balance the work and after hour choruses of women. Despite the traditional and community organization it has been assessed that women in the Project area are equally represented in everyday life including in decision making aspects.
- **People with disabilities:** provide information in accessible formats, and arrange support from family members, and offer multiple forms of communication. For persons with physical impairments offer transportation to and from consultation events etc.

If during future planning and implementation activities further vulnerabilities are identified the strategy toward engaging with vulnerable groups will be adapted accordingly.

7 GRIEVANCE MECHANISM

The EBRD's PR10 requires clients establish a Project specific community grievance mechanism to receive and facilitate the resolution of grievances from affected stakeholders, including affected communities. This is in addition to the national existing judicial or administrative remedies.

The Grievance Mechanism⁹ is a process intended to:

- build and maintain trust with all stakeholders;
- prevent adverse consequences of failure to adequately address grievances;
- act as dispute avoidance avenue and prevent escalation to national judicial and administrative authorities, and
- help identify and manage stakeholder concerns and thus support effective risk management.

During meetings with three local communities in July 2024, it was reiterated that MONTEPUT will set up a process through which grievances are received, acknowledged, investigated and responded to – collectively referred to as the **Grievance Mechanism**. General information were provided including timeline when it is expected that MONTEPUT will formally inform all stakeholders of the Grievance Mechanism by communicating the availability, its function, the contact persons and the procedures for submitting comments/concerns or grievances through the elected representatives of the local communities i.e. Presidents of Mjesne Zajednice as the preferred option of the local communities.

The types of grievance may vary during the project cycle and all types of grievances falling in any of the typology below are admissible:

- **Grievance or complaint** – refers to an expression of dissatisfaction with the project activities (actual or perceived), typically referring to allegations of a specific incident or impact. Complainant may be seeking a specific solution. Project activities include project company actions, as well as contractor and subcontractor actions during pre-construction and construction. Project activities also include land acquisition and resettlement with a detailed guidance provided in the LARF. The terms “grievance” and “complaint” can be used interchangeably, without presuming differences in scale, complexity or seriousness.
- **Workers Grievances** – refers to workplace and OHS related grievances from employees, workers and non-employee workers. A separate Workers' Grievance Mechanism for workers directly engaged or employed by MONTEPUT will be established and operated by MONTEPUT Human Resources Department and will be separate from the Public Grievance Mechanism. Contractors and Consultants are required to adopt a Workers' Grievance Mechanism to the satisfaction of MONTEPUT or demonstrate ‘that their existing workers' Grievance Mechanism is substantively responsive to requirements of EBRD standards on Labour and Working Conditions and EBRD PR2 guidance note on Employee Grievance Mechanism (2017)¹⁰. Details are provided in the Project's Labour Management Procedures incorporated in the ESIA.

The Project's Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) and Gender Based Violence (GBV) risks are assessed as manageable. However, the Grievance Mechanism will, on a precautionary base, be equipped to recognize SEA/SH and GBV grievances including their referral to relevant national processes and system through a survivor centric approach ensuring absolute anonymity. Such

⁹ The Montenegrin legal framework does not require establishment of a Project specific grievance mechanism as a way to communicate and solve public's concerns. However, EBRD PR 10 recognizes this as an important instrument requires clients establish a Grievance Mechanism to receive and facilitate the resolution of grievances from affected stakeholders, including affected communities.

¹⁰ See EBRD (2023), EBRD Performance Requirement 2: Labour and working conditions – Guidance note on employee grievance mechanisms, London. Available at: <https://www.ebrd.com/documents/admin/employee-grievance-mechanism.pdf>.

grievances will be managed separately, but will use the same process value chain and timeframes described below (Grievance admission and process value chain).

7.1 Registering a complaint

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 ([Annex 6b](#)) (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 Matešev - Andrijević Project
Att. Milica Bijelović– Grievance Manager
grievance@monteput.me
office@monteput.me
Address: Avda Međedovica 130
Telephone: +382 (20) 224 493
81100 Podgorica

Details of the local access details will be disseminated as part of the grievance awareness campaign but will be linked to the local offices of the Mjesne zajednice. The Grievance Procedure will be free of charge, open and accessible to all, and comments and grievances will be addressed in a non-discriminatory and transparent manner.

Grievances may also be submitted anonymously with personal information only shared if a complainant agrees and will be treated confidentially. The grievance may be submitted without the use of the form if preferred. The use of the Grievance Mechanism does not stop a person from seeking other legal or administrative remedies available under the laws of Montenegro or with international bodies. Grievance will be handled discreetly and carefully to protect complainants from retaliation. The Project will not tolerate actions of retaliation and will investigate any allegations of retaliation.

The system and requirements (including staffing) for the grievance redress chain of action – from registration, sorting and processing, acknowledgement and follow-up, to verification and action, and finally feedback – are embodied in this GM. As a part of the GM outreach campaigns, MONTEPUT will make sure that the relevant staff are fully trained and has relevant information and expertise to provide phone consultations and receive feedback. The project will utilize the existing system (hotline, online, written and phone complaints channels) to ensure all project-related information is disseminated and complaints and responses are disaggregated and reported.

The GM will be managed by using the Community Grievance Register as provided in [Annex 5: Community Grievance Register, tracking report and generic dashboards generated](#). Quarterly reports in the form of Summary of complaints, types, actions taken and progress made in terms of resolving of pending issues will be prepared and disclosed by using the dashboards from Annex 5. Once all possible avenues of redress have been proposed and if the complainant is still not satisfied then the GM would advise of their right to legal recourse.

The grievance system is in operation since September 1, 2024 to manage and appropriately answer complaints during its different phases. In addition to the GM, legal remedies available under the national legislation remain (courts, inspections, administrative authorities etc.).

MONTEPUT will in cooperation with Local Governments and community representatives make joint efforts to informing stakeholders about the Grievance Mechanisms` role and function, the contact persons, admission channels, and the procedures to submit a complaint. Information on the GM including the Public Grievance Form, and Public Grievance Leaflet ([Annex 6b](#)) will be available at:

- the website of MONTEPUT <https://monteput.me/>
- the website of Municipality Andrijevica (<https://opstinaandrijevica.me/>
- the website of Municipality Kolašin (<http://www.opstinakolasin.me/>)
- through social media campaigns.
- during the pre-construction engagements meetings.

Hard copies will be available:

- in the offices of the Local communities (Mjesne zajednice) affected by the Project, and
- at the construction site prior to commencement of construction works.

7.2 The Grievance Procedure

Grievances will be responded to in a timely manner. In some instances, such as when a complaint is a simple matter, MONTEPUT may be able to resolve a complaint shortly after it is received. In this case, the complainant will be given the information necessary and the issue addressed, and the complaint will be documented and closed once the complainant is satisfied with the information offered.

When grievances or complaints are more complex, and require some investigation, the following process will be used:

Step 1: Receive & Record & Acknowledge Complaint

- Multiple points of access are available for grievances to be received by the Project
- Once the complaint is received, it will be recorded in a register.
- MONTEPUT will acknowledge receipt of the complaint by letter within **5 working days** of receipt.
- The acknowledgement letter (Annex 5a) will specify a contact person and a description of what the complainant can expect next, including a timeline.
- Regardless of general response and resolution time frames, some complaints may require immediate attention – for example, an urgent safety issue or damages to property or life-threatening situations
- Grievances of critical nature will be escalated early on to management of MONTEPUT.

Step 2: Evaluate, Assign Owner, and Investigate

- MONTEPUT will evaluate the complaint to determine how it should be managed and, in most instances, is assumed to have the required expertise to resolve it. It will then work to understand, investigate, resolve, and follow-up with the complainant. This may involve seeking information from different departments within MONTEPUT or other external stakeholders, the Municipalities Andrijevica and Kolašin or from contractors and supervision consultants at all time protecting the identity and personal data if so required by the complainant.
- MONTEPUT will work with the complainant to understand the cause of the issue and will need to contact the complainant during the investigation.

- Investigation of grievance should seek to establish the validity of the grievance, verify claims made by complainant and seek evidence to substantiate them, and identify appropriate resolutions where required.
- Investigation may require visiting location of grievance, engagement with other parties (including third parties), photographs and review of documents. The investigation shall be prompt and aimed to be completed within **7 working days**. In more complex cases the investigation may take longer as needed but not more than **21 working days**.
- Care must be taken to protect the identity of the complainant and their personal information.
- Findings and proposed options for resolution should be documented.

Step 3: Consult on and Implement Resolution

- MONTEPUT will discuss the results and proposed resolution with the complainant, including a timeline for implementation.
- MONTEPUT will implement the resolution either directly or through a third party, which will be done in consultation with the complainant. Resolutions will be implemented without delay to prevent further loss or damages and as soon as technically or otherwise feasible.
- MONTEPUT will implement the resolution within **30 working days**.

Step 4: Close out and Monitor

- After the complaint has been fully investigated, the resolution implemented and monitored, and no further action is deemed necessary to resolve the issue, MONTEPUT will close-out the grievance.
- In case of anonymous grievance, the final decision will be disclosed on MONTEPUT website.
- MONTEPUT will ask the complainant to sign a statement to acknowledge the resolution. Signing the statement does not preclude the complainant from raising the issue again, or seeking other avenues for redress should the resolution not result in a permanent fix, or the issue recurs.
- If the complainant does not agree with the resolution offered, MONTEPUT will close the complaint, however the complainant may choose to appeal against the decision to close the complaint (see Step 5) or seek other recourse.
- MONTEPUT may re-open the complaint if the complainant provides new information.
- MONTEPUT may contact the complainant after closure to ensure no other problems have arisen.

Step 5: Appeal (optional if complainant is not satisfied)

- MONTEPUT has established an additional mechanism for community members to appeal closure of a complaint when they are not satisfied with the outcome of the investigation and/or the proposed resolution. The second-tier panel consists of **two members** from MONTEPUT and **one** from the local community. On a case-to-case basis, the second-tier panel may choose to include one or more reputable and independent third parties to advise the panel.
- The panel may decide to refuse an appeal if they feel the complaint has not been presented in good faith.
- In cases where significant community concerns are raised MONTEPUT will provide for mediation in resolution of the concerns. The selection of the mediator will be conducted in consultation with the complainant and other key stakeholders to ensure there is trust in the process.

- At any time can the aid from judicial and administrative authorities be sought without prejudice.

7.3 Monitoring and reporting on Grievances

MONTEPUT will be responsible for:

- Overall management of the Grievance Mechanism;
- Collecting data from local admission points on the number, substance and status of complaints and uploading them into the single regional database;
- Maintaining the grievance logs on the complaints received at the central and local level;
- Monitoring outstanding issues and proposing measures to resolve them;
- Disclosing quarterly reports on GM mechanisms;
- Summarizing and analysing the qualitative data received from the local grievance admission points on the number, substance and status of complaints and uploading them into the single project database;
- Submit regular social monitoring reports which shall include a section related to GM which provides updated information on the following:
 - Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
 - Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
 - Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
 - Level of satisfaction by the measures (response) taken;
 - Any corrective measures taken.

8 MONITORING, EVALUATION AND REPORTING

MONTEPUT will be responsible for preparing monitoring reports documenting the environmental and social performance of the Project and submitting them to the EBRD. The E&S performance monitoring shall be part of the overall progress reporting requirements. These reports will include sections dedicated to stakeholder engagement and grievance management. The frequency will be defined in the Loan and Project Agreement (usually quarterly reporting in the first year of implementation to be followed by semi-annual in any subsequent year).

The Monitoring and reporting requirements shall be completed in-house but will rely also on the reports furnished by the Supervision Consultant and the Design and Build Contractor.

To enable credible monitoring and reporting the following documentation will be prepared and maintained throughout the Project life:

- **Stakeholder engagement log:** Used to store, analyse and report on stakeholder dialogue activities. It will be populated with details on information presented, audience questions, MONTEPUT responses and actions, and meeting evaluation results, when appropriate. The database will also be used to track frequency of meetings over the life of the Project and will utilize the guidance provided in Annex 7: Stakeholder engagement register...
- **Progress reports:** Monthly progress reports submitted by the Design and Build Contractor and the Supervision Consultant shall be reviewed.
- **Commitments register:** used to keep track of the commitments made to various stakeholders.
- **Minutes of Meetings:** used to document all engagement activities and will be filed within the stakeholder database.
- **Stakeholder list:** ongoing updates to the list, including key contacts and contact details (telephone number, email address etc.) as additional stakeholders are identified.
- **Grievance log** will record all grievances received, management actions taken and whether it has been closed out satisfactorily.
- **Clippings:** Media monitoring of press and radio stories relevant to the Project.

Records will be audited internally on a quarterly basis to ensure that records are being used and maintained as required.

The Key Performance Indicators (**KPI**) used to track stakeholder engagement and the effectiveness of the GRM performance include:

- percentage of project documents that have been adequately disclosed to stakeholders in accordance with the SEP
- stakeholder engagement activities completed, broken down by stakeholder group and affected community, against what was planned in chapter 6 of this SEP.
- Project design consulted with stakeholder and issues identified and solved.
- number of activities tailored to enable consultation and participation of women.
- number of activities completed that are designed to support the informed consultation and participation of vulnerable groups, against what was planned in the SEP.

- number of positive versus negative press and social media statements on the project. However, this KPI will only be valid if the information is gathered from credible media sources.
- number of grievances during the reporting period: (i) opened (ii) investigation ongoing (iii) resolved or unresolved (complainant not satisfied with resolution – grievances referred to appeals process) and (iv) closed (complainant satisfied, not satisfied, abandoned per month).
- number of grievances raised acknowledged within the specified target time in the grievance mechanism.
- number of grievances raised that were resolved within the specified target time in the grievance mechanism.
- trends and rates of recurring grievances, for example, the number of grievances that can be classified as having occurred a second time or more within a quarter or a six-month period keeping a profile of those who lodge a grievance could prove useful in terms of knowing who and where the most affected are; personally identifiable information, however, should be redacted from such profiles; aggregated data such as gender, age and location shall be gathered.

The Monitoring requirements shall include the EPC Contractors' roles and responsibilities for receiving grievances, supporting the investigation and resolution of grievances and abiding by the project grievance mechanism should be clearly set out in the grievance procedure and stipulated in the contractor's contract (and other working and E&S management documents and instruments). All grievances received by contractors shall be logged, shared with MONTEPUT and registered.

8.1 Reporting to stakeholders

MONTEPUT shall be reporting internally and externally. For internal purposes the following will be prepared: a) weekly or daily reports for urgent items (e.g. critical concerns or grievances) or incidents of significant nature will be prepared. b) Progress reports in line with reporting requirements to EBRD and Government stakeholders (internal quarterly progress reports will be prepared which will review dialogue activities undertaken thus far: stakeholders met, key topics discussed, main concerns and expectations, positioning towards Project activities, Grievance Mechanism: participation, main grievances reported, progress summary (actions to be taken and status); risks to the Project; limitations (e.g. resources, internal alignment); priorities for next quarter).

MONTEPUT disclose the Environmental and Social Report on the environmental, social and health and safety performance of the Project prepared for EBRD and share it with the relevant stakeholders (usually quarterly reporting in the first year of implementation to be followed by semi-annual in any subsequent year). This will also include reporting on a regular basis to the impacted communities about project progress status, and progress in the implementation in line with chapter 6. MONTEPUT will keep track of commitments made (commitments tracker) and communicate progress made against these commitments on a regular basis (for instance, during regular meetings with the community representatives).

External reporting

In addition to feedback provided to stakeholders during the engagement activities described in the section 6 Stakeholder Engagement Programme, MONTEPUT will generate the following reports summarizing how stakeholder input has been considered in the project:

- Reports on E&S performance to EBRD; these will summarize the key themes that have been raised, including grievances, and how they have been considered; any public annual reporting on grievances will ensure anonymity. These will be published on the website of MONTEPUT at minimum.
- The SEP and Grievance Register will be reviewed by the CLO and management of MONTEPUT annually including a review at the end of the pre-construction phase and at the end of the construction phase to assess whether:
 - the stakeholder list remains appropriate,
 - engagement activities are appropriate for different groups of stakeholders,
 - the frequency of activities is sufficient,
 - grievances are being adequately dealt with, and
 - project resourcing of stakeholder engagement remains appropriate. This will include consideration of any project changes that might result in significant changes to the project's environmental or social risks and impacts.

9 RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

MONTEPUT is the owner of all activities under this SEP and is overall responsible for its implementation. This includes planning and implementation of stakeholder engagement activities, other relevant outreach, disclosure and consultation activities, and the proper functioning of the Grievance Mechanism. To enable this MONTEPUT shall make sure that sufficient human and budgetary resources have been allocated to the planned activities and shall maintain these throughout the Project lifecycle.

MONTEPUT resources will be coupled with the human resources of the Municipalities Andrijevica and Kolašin.

The material resources mobilized by MONTEPUT include:

- A section dedicated to the Project on their website;
- An electronic grievance database and an electronic stakeholder database;
- Other material resources such as printed documents that will be used, based on the needs of the SEP.

MONTEPUT will establish a stakeholder database that includes details of key stakeholders, their participation in the consultations processes and issues raised. The database will be designed to allow information to be assembled, collated and analysed. The stakeholder database is a dynamic tool that will be revised and updated, as necessary, to enable it to be used in the project construction phase, should the necessary approvals for the Proposed Project be obtained. Toward the end of the Project, an account of the stakeholder engagement process will be prepared. This report will present the disclosure and consultations activities conducted; levels of stakeholder participation, particularly for women and vulnerable groups; the issues discussed and outcomes; and the extent to which stakeholder issues, priorities and concerns have been reflected.

The project will appoint at least one Chief Liaison Officer (CLO) who will provide the main point of contact for stakeholders and undertake regular visits to the project area.

Once appointed, the contact details for the CLO will be added to the disclosed project information. The CLO will be responsible for daily implementation of the SEP activities, such as planning meetings, visiting the community, arranging for the participation of other project team members as required, attending internal project planning meetings, and reporting to stakeholders as described in section 8.

Contact details of the Design and Build contractor will also be made publicly available to the impacted local communities.

In the meantime, and as an additional way of getting in touch with the project throughout, stakeholders can contact the Grievance Manager as designated in chapter 7.

Annex 1- List of settlements directly and indirectly impacted

	MUNICIPALITY KOLASIN	MUNICIPALITY ANDRIJEVICA
Primary Area of Influence DIRECTLY IMPACTED by the land acquisition needs	9. Mateševo 10. Bare Kraljske 11. Sunga	17. Gnjili Potok 18. Kralje 19. Klanac 20. Sjenozeta 21. Prisoja 22. Slatina 23. Salevici 24. Lugovi 25. Protići 26. Most Bandovica 27. Miravcine
Secondary Area of Influence INDIRECTLY IMPACTED	12. Han Drndarski 13. Krgovići 14. Tresnjevnik 15. Ravni Brijeg 16. Ljubaštica	28. Zabrdje 29. Trepca 30. Lanista 31. Peovac 32. Oblo Brdo

Annex 1a: List of hospitalities and restaurants/coffee shops along the R19 Road

13. College Komerc, Matesevo
14. Vila Djekic, Kralje,
15. Dzep Zecevic, Bare Kraljske
16. Restoran Tresnjevik,
17. Dubirog Perovic
18. Eko turs Komovi
19. Eko Katun Komovi
20. Katun I Eko dom Tresnjevik
21. Radmilica Enjoy the view
22. Most Bandovica – hotel and restaurant
23. Kraljska Koliba
24. Kafana Veša
25. Kafe Bar oaza
26. Kuca Račića - Country house

Annex 2: Project Maps



Figure 1: Starting point of the Project



Figure 2: End point of the Project

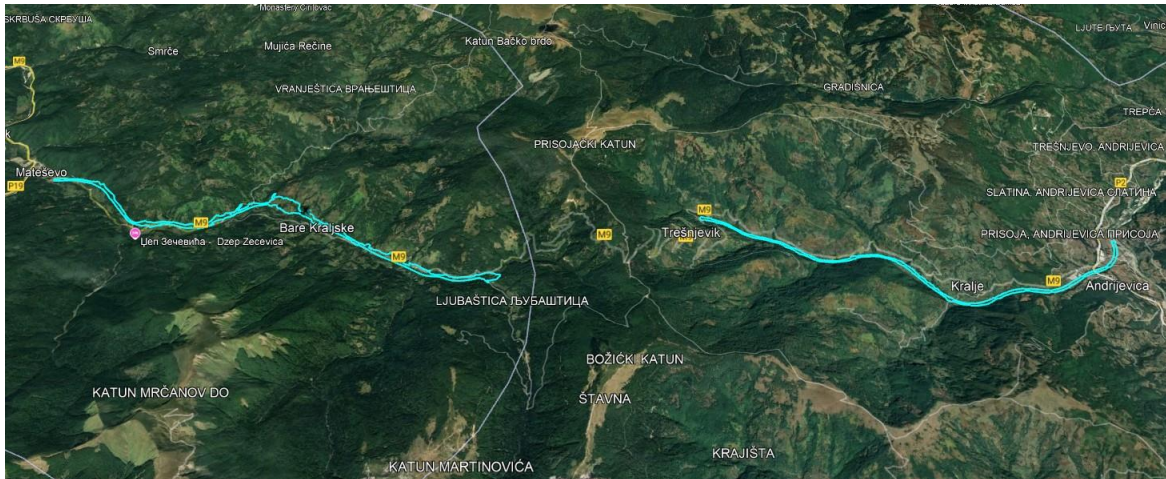


Figure 3: Large scale map of the Project

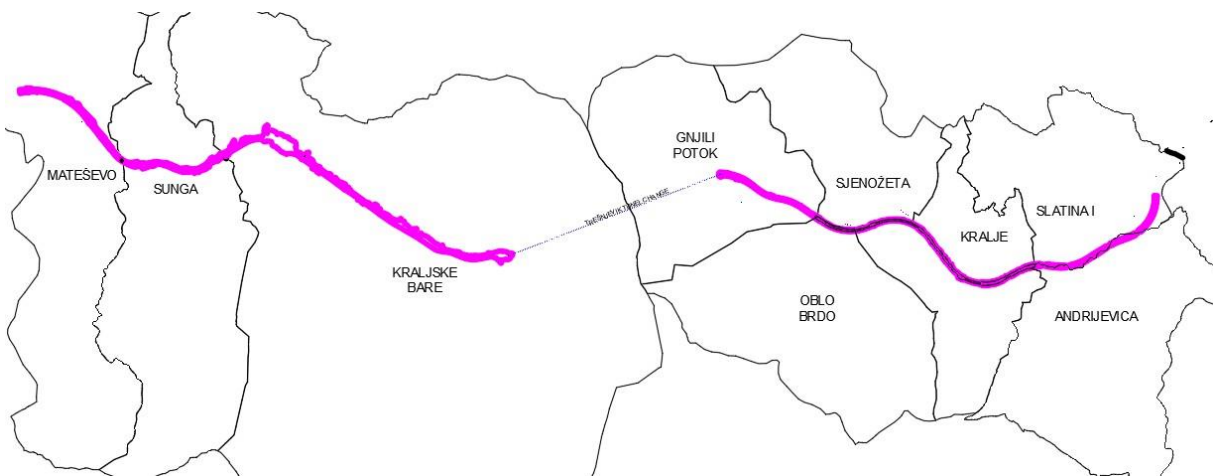


Figure 4: Overview of Cadastral municipalities Impacted by Project land acquisition needs

Annex 3: Key laws guiding and mandating Stakeholder engagement in Montenegro

Legislative area	Key parts of the regulatory framework	Summary of Stakeholder Engagement Requirements
Preparation of project documentation and related strategic studies	The Law on Spatial planning and construction (Official Gazette of MNE, No. 064/17, 044/18, 063/18 and 011/19, 82/2020)	The Law on Spatial Planning and Construction defines the process of adoption of the planning documents for construction of facilities (spatial plans). In this adoption process, there is a procedure of public inquiry. It envisages disclosure, consultations and Grievance Mechanism prior to adoption of general spatial plans, detailed spatial plans and urbanistic plans. The relevant spatial plan for the project is complete, and the summary of engagement undertaken is included in section 4 of this SEP.
Land acquisition (expropriation)	The Law on Expropriation (Official Gazette No. 055/00, changes 012/02, 028/06, 021/08, 030/17, 75/18, 33/2024)	The Law defines expropriation as dispossession or limitation of the ownership right on immovable assets (defined as land, buildings and other structures, including perennial plants, crops, logging forest etc) based on determined public interest, with fair compensation. This Law defines the stakeholder participation and appeals in the process of expropriation.
Land acquisition (expropriation)	The Law on Highway Bar-Boljare "Official Gazette" 052/14)	The Law sets additional consultation requirements related to land acquisition related to this Infrastructure Project but allows certain timelines to be condensed
Environmental issues, EIA and Environmental Permits	The Law on Strategic Environmental Assessment (Official Gazette 080/05, 059/11 and 052/16)	The Law on Strategic Environmental Assessment includes provisions that a special strategic assessment shall be carried out for all projects when there is a possibility that their implementation shall cause significant impacts on the environment, such as "complex engineering facilities" (defined by The Law on Spatial Planning and Construction), including highways, bridges, tunnels etc. It includes specific requirements for construction design, plan and licensing and requirement to prepare elaborated Strategic environmental assessment document (SEA), which is subject to mandatory public inquiry.

Legislative area	Key parts of the regulatory framework	Summary of Stakeholder Engagement Requirements
	The Law on Environmental Impact Assessment (Official Gazette MNE no. 75/18)	The legislation sets out the requirements for undertaking an EIA of potential impacts of public and private projects that are likely to have a significant impact on the environment before development consent/a construction permit is granted in the form of approval for project implementation. The Law on EIA defines the rules and detailed procedures for including the public in the decision-making process. Consultations with the public and other stakeholders during an EIA are a key feature of national social and environmental assessment procedures. These requirements are incorporated into the national environmental legislation, in the Law on Environment, and the bylaws. What this means practically is described in more detail in the text following this table. The national EIA has been adopted and approved by the National Environmental Protection Agency (EPA) on May 14, 2024 following the public consultations held in the Municipality Andrijevica on July 10, 2023 and on July 11, 2023 in the Municipality Kolašin.
	Law on nature protection (Official Gazette 054/16, 018/19). Draft Law on nature protection (June 2023)	The Law on nature protection defines general provisions on nature protection objectives conservation of biodiversity and sustainable management of living natural resources.
	Law on environment (Official Gazette 052/16)	The Law on Environment generally defines obligations of all legal or natural person while performing its activities, to provide environmental protection, including sustainable use of natural resources, goods and energy, introducing more energy efficient technologies and using renewable natural resources, using products, processes, technologies that are less endangering the environment, taking measures to prevent and eliminate the consequences of endangerment and damage to life, control of the activities and operation of installations that may pose a risk or cause, danger to the environment and human health etc. It also provides the possibility for inclusion of legal entities and entrepreneurs in the environmental management, control system and disclosure to the public of impacts of certain activities on the environment, (EMAS system) in accordance with the standard MEST EN ISO 14001.

Legislative area	Key parts of the regulatory framework	Summary of Stakeholder Engagement Requirements
Cultural heritage issues	Law on the protection of cultural heritage (Official Gazette 052/16, 044/17 and 018/19)	The Law on the protection of cultural heritage defines its objectives as protection of cultural heritage as preservation and improvement, ensuring the sustainable use of cultural heritage, according to their traditional and appropriate uses, The Project planning documents must be harmonized with the study of the protection of cultural assets and management plan and subject to prior consent of the proper authority defined by the Law.
Public information	Law on Free Access to Information (Official Gazette 044/12 and 030/17)	The law regulates the right of public to know information which are in possession of state authorities: (legislative, executive, judicial, administrative) authority of local self-government, local government bodies, institutions, business and other legal entities if it's mainly financed from public revenues, as well as natural person, entrepreneur or a legal entity that exercises public authority or manages a public fund. According to this Law every domestic and foreign natural and legal entity has the right to access information, without obligation to state the reasons and explain the interest of seeking information.

The Law on EIA defines the rules and detailed procedures for:

- (a) disclosing information to the public
- (b) public participation where the public can actively be involved in public discussions and submit their written opinion within the different EIA phases of the procedure
- (c) through the mechanism of access to justice, when the public could influence the decision-making with submitting appeals to the court.

In summary, the procedures include the following steps: The public is informed through webpage of the relevant authority and the porta e-uprava, and the national media (this must include a national newspaper) as to where the draft EIA study will be disclosed (where the hard copy is available for review, the dates and time it can be reviewed). The public are invited to send comments and/ or attend public consultations. A period of minimum 10 days is provided for public comments. Public consultations are held in an appropriate local venue (for example, city hall) and the plan/document is presented. The EIA study must have been available, and notice provided to the public, at least 28 days in advance of this meeting. Comments received from all stakeholders are processed and the document is revised to reflect them. A report on which comments have been adopted and which have not, with a justification, is delivered together with the updated draft document to relevant authorities who judge whether the comments have been meaningfully considered and addressed.

Annex 4: Key stakeholder engagement activities conducted to date¹¹

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
Phase I – Since 2001 – June 2024		
General Public	2001 the Parliamentary decision to proceed with the development of the Spatial Plan – officially disclosed in the Official Gazette of MNE Official Gazette no. 45/01	■ The decision of Montenegro to construct the Bar – Boljare highway and to designate a spatial corridor
General Public	Publicly consulted and disclosed in “Official Gazette of MNE” no. 24/2008(	■ Spatial Plan of Montenegro by 2020 (2008) set principles of defining the highway corridor, including restriction, limits and land use for the entire 168 km stretch of the Highway Bar Boljare (Spatial Plan Pg.133). with the Environmental Strategic Impact Assessment (2008)
Ministry of Economic Development	Adopted in 2008	■ Detailed Spatial Plan of the Bar-Boljare highway was adopted. The plan determined in section 4.1.3 (Pg. 94) the need to dedicate space for the highway
The Government	Information on consultation not available	■ General Design developed by Louis Berger SAS-Paris, Simm Engineering –Podgorica
General public and potential Contractors	December 8, 2014	■ Adoption of the Bar - Boljare Highway Law allows for a full tax exemption of civil works, labor, and highway-related imports for the construction companies. The Law governs also expropriation procedures for this particular Highway, the process of preparation and review of the detailed design, the building permit requirements, the requirements for execution of preparatory works, taxes, customs duties and other levies. The Law overrides some of provisions of the Expropriation law, The Law on Spatial Planning and Construction, several import and tax laws and by-laws etc.
General Public	October 19, 2023	■ The Government of MNE has determined the Draft Spatial plan of Montenegro up to the year 2040.
General Public	January 29, 2024	■ After the disclosure, public insight, and consultation period, the final draft of the Spatial Plan of Montenegro

¹¹ The activities presented do not represent the complete set of activities undertaken since 2001 as documents , records are not available

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
		up to the year 2040 was adopted and disclosed on ¹² by the Ministry of Spatial Planning, Urbanism and State Property.
General Public	Publicly disclosed and consulted 2008	Transport Development Strategy of Montenegro (2008) publicly disclosed and consulted Regional Development Strategy of Montenegro for the period 2014-2020
General Public	publicly disclosed and consulted 2022	The Spatial Plan for Municipality of Andrijevica (2022) including Mateševo - Andrijevica Highway Section
Monteput d.o.o.	Virtual, face to face continuously during the Feasibility, Preliminary design and ESIA stage during 2019. As reported in the draft ESIA.	- Discussion on project progress, - Collection of missing data - data gaps and - Requirements for stakeholder engagement and information disclosure and consultation with affected communities - future steps
Ministry for Capital Investments with ESIA Consultant	Virtual, through email communication, face to face continuously during the Feasibility, Preliminary design and ESIA stage during 2019 and 2020	Discussion on project progress, data gaps and defining of future project steps, setting timelines, Stakeholder engagement planning and inputs to the PD
European Bank for Reconstruction and Development	Virtual, face to face continuously during the Feasibility, Preliminary design and ESIA stage during 2019 and 2020	- Project progress, timeline, red flags, - Workshops held on ESIA methodology and clarifications on ToRs with EBRD
State Review Committees	Virtual, face to face continuously during the Feasibility, Preliminary design Phase	Approval process of the PD, comments to the PD
Institute for Protection of Cultural Heritage	September 2021 October 2021	Providing information on Cultural Monuments (CM) categories expected to be affected and opinions regarding impacts on CM maps, including buffer zones, coordinates, and distances of CM from road track

¹² <https://www.gov.me/clanak/prostorni-plan-crne-gore>

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
		■ Suggestion for possibilities to review the road track in case of affected buffer zone or when no buffer zone is declared for the monument to be consider ensuring associated facilities are covered ■ Key data to inform the gap analysis comparing EBRD requirements against national propositions ■ Understanding past engagement level of the IPCH in past large scale infrastructure projects
Municipality Kolašin and local communities	May 2019, August 2020 and continuing through 2022	■ Discussion on local roads and severance impacts, collisions with utilities, baseline data for the project area related to economy, livelihood sources, business operating in the project area, agricultural produces, number of informal structures, information on Roma, refugee and other potentially vulnerable groups, expectations of the local community, understanding the territorial organization and division into Mjesne zajednice. Although the largest ethnic minority group in Europe and the Western Balkans no Roma population is presented in the Project area. This was also confirmed by the 2023 Census results. No IDPs, refugees nor migrant presence was confirmed. ■ Information on informal settlements and structures – it has been confirmed that no such settlements are present. The impacted settlements are of rural type and their roots date from the 19th Century. Incidents of recent construction without building permits might be present but these will be analysed as part of the detailed site-specific Land Acquisition and Resettlement Action Plan. ■ While there was an undoubted support to the development of the Highway itself there were concerns based on negative experiences during the construction activities on the preceding section Smokovac- Mateševu.
Municipality Andrijevisa and local communities	September/October 2021 July – August 2022	■ Discussion on local roads and severance impacts, collisions with utilities, baseline data for the project area related to economy, livelihood sources, business operating in the project area, agricultural produces, number of informal structures, information on Roma, refugee and other potentially vulnerable groups, expectations of the local community, understanding the territorial organization and division into Mjesne zajednice. Although the largest ethnic minority group in Europe and the Western Balkans no Roma population is presented in the Project area. This was also confirmed by the 2023 Census results. No IDPs, refugees nor migrant presence was confirmed. ■ Information on informal settlements and structures – it has been confirmed that no such settlements are present. The impacted settlements are of rural type and their roots date from the 19th Century. Incidents of

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
		recent construction without building permits might be present but these will be analysed as part of the detailed site-specific Land Acquisition and Resettlement Action Plan. While there was an undoubted support to the development of the Highway itself there were concerns based on negative experiences during the construction activities on the preceding section Smokovac-Mateševo.
CEDIS Electrical network	Since 2019 through 2021	Baseline data collection
Water network Andrijeva	2019 and 2021	Baseline data collection and inputs to the PD
Telenor network Telenor MNE	July 1, 2019, and May 9, 2019	Baseline data collection consultation on potential collision with the planned alignment
The Organization of the Red Cross Andrijeva	July 2019	Baseline data collection and vulnerability assessment
The Organization of the Red Cross Kolašin	July 2019	Baseline data collection and vulnerability assessment
Administration for cultural heritage protection, Cetinje	Since 2019 through 2021	Baseline data collection, list and locations of monuments of Cultural Heritage and Archaeological sites in the Project Areas administratively covering Municipalities of Andrijeva and Kolašin
Ministry of Interior Podgorica	September 2019	Data related to facilities required for maintenance of the Highway
Institute for Hydrometeorology	April 2019	Baseline data collection
Agency for Environmental Protection	April 2019	Baseline data collection and conditions related to natural sites
Institute for Entrepreneurship and economic development Podgorica, local office in Andrijeva	July 2020	Providing baseline data for the project area on waste management
Centre for Social Work Mojkovac – territorial unit in Kolašin	July 2020	Setting up the framework for identification of vulnerable groups and individuals in the project area
Administration for food safety and phytosanitary works	July 2020	Providing baseline data for the project area related to primary agricultural produces, producers of nursery and other planting material in the AOI

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
Administration for protection of Cultural heritage-Cetinje	April 2019	Providing baseline data for the project area regarding presence of Cultural Heritage sites in the area of Municipality Kolašin (Mateševo) and Andrijevića including CD with a registry of all immovable cultural heritage sites, archaeological sites and KMZ files with locations in the direct AoI
Administration for protection of Cultural heritage-Sector for establishment protection over cultural heritage	2020,2021	Providing baseline data for the project area regarding presence of Cultural Heritage sites in the area of Municipality Kolašin (Mateševo) and Andrijevića
Representatives of Local communities (Mjesne zajednice)	July, August 2022	- Providing baseline data for the project area on demographic, social, economic, and other data. - Consultation on main impacts and measures to avoid adverse impact. - Soliciting opinions on the Project.
Random samples of citizens from several local communities	Public Perception Survey April-May 2019 August –September 2022	A public perception survey with a small random sample was undertaken to solicit the communities opinion on expectations from the new section and experiences during construction of the preceding section (Smokovac –Mateševo) including understanding the presence of vulnerable categories of stakeholders. The survey was initially conducted during in the period April-May 2019. An additional survey was organised during the development of the Land Acquisition and Livelihood Restoration Framework (LARF) in August and September 2022. Interviews were carried out with 40 individuals, while many others opted not to participate until the Detailed design has been completed and the exact land acquisition impacts are known (during development of the Resettlement Action Plan).
Ministry for Capital Investments Ministry of European Affairs Ministry of Agriculture, Forestry and Water Management NGOs Municipality of Andrijevića and local representatives	July 29, 2022	Presentation of the option analysis and route selection criteria. Scoping report and discussion of future steps of the project.

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
Municipality of Kolašin and local representatives Environmental Protection Agency of Montenegro Association for improvement of water services and treatment and wastewater discharge Hydrometeorological Agency		
Primary school „Bajo Jojic“ with their remote facilities in Gnjili Potok and Kralje	August 20, 2022 September 9, 2022	Timetables of bus transfer organized for children attending the remote facilities in Gnjili Potok and Kralje.
Phase II - Commencing in June 2024		
MONTEPUT d.o.o.	July 22, 2024	Meeting between the EBRD Due Diligence Consultants and MONTEPUT. The meeting focused the attention on the land acquisition and resettlement issues, the importance of an open and transparent engagement between MONTEPUT and all stakeholders' in particular local communities and persons affected by the project. A high-level presentation of EBRD requirements was provided. The scope of work was in detailed presented
Local Community Bare Kraljske	July 23, 2024	Meeting I¹³ - Meeting of the Consultant Team with the residents of Bare Kraljske in the Local Community Office.
Local Community Slatina	July 23, 2024	Meeting II - Meeting of the Consultant Team with the residents of Slatina in the private premises of the President of the Local Community Office.
Local Community Kralje	July 24, 2024	Meeting III - Meeting of the Consultant Team with the residents of Kralje in the Local Community Office.
Presidents and representatives of local impacted communities	July – August 2024	Regular exchange of information necessary to complete the Due Diligence and update on Project progress
EBRD, MONTEPUT, Due Diligence Consultants	August 13, 2024	On-line discussion on key findings and red flag issues related to routing particularly in the settlement Kralje.

¹³ These meetings are marked separately as they have been initiated during the Due Diligence process conducted by EBRD

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
Centre for Social Work Mojkovac – territorial unit Kolasin	August 15, 2024	Data on number of registered persons supported by the Centre for social work for the municipality of Kolašin (in the local communities Mateševo, Sunga and Bare Kraljske) and the most represented category of supported groups
Centre for Social Work Berne – territorial unit Andrijevica	August 15, 2024	Data on number of registered persons supported by the Centre for social work for the municipality of Andrijevica (in the local communities Gnjili Potok, Sjenozeta, Kralje, Slatina, Prisoja, Zabrdje and Tresenjevo)
MONTEPUT, EBRD Due Diligence Consultants (as observers)	September 4, 2024	Meeting IV- Following the concerns raised by the local communities MONTEPUT has suggested a modified alignment from tunnel Trešnjevik to Andrijevica. Meeting held in the Municipality Andrijevica with participation of around 40 stakeholders from local communities from Tunnel Tresenjevo to Andrijevica
MONTEPUT, EBRD Due Diligence Consultants (as observers)	September 18, 2024	Meeting V - Meeting with local communities Kralje, Gnjili Potok, Sjenozeta, Trešnjevik and Presentation of the route change from Tunnel Trešnjevik to Andrijevica
MONTEPUT, EBRD Due Diligence Consultants (as observers)	September 19, 2024	Meeting VI - Meeting with local communities Slatina, Prisoja, Zabrdje and Trešnjevo and Presentation of the route change from Tunnel Trešnjevik to Andrijevica
MONTEPUT	September 27, 2024	Meeting VII - Meeting with local community Bare Kraljske. Presentation of the Preliminary design route and suggested modifications
MONTEPUT	September 27, 2024	Meeting VIII - Meeting with local community Mateševo Presentation of the Preliminary design route and suggested modifications
MONTEPUT and ESIA Team	December 2-5, 2024	Social impact assessment and meetings with the local community representatives. Assessing the impacts and benefits of the route changes. Field visits and discussions with PAPs. At the initiative of the members of the Consulting Team, a meeting was held in the local community of Bare Kraljske on December 4, 2024, with a specific group of stakeholders, namely citizens whose residential properties are being expropriated or whose residential properties are located in the immediate vicinity of the route. The purpose of the meeting was for the members of the Consulting Team to be informed about the views of these citizens regarding the upcoming construction, given the position of their properties in relation to the route. Despite the fact that the route defined based on the Conceptual Design in the areas of the local communities of Mateševo, Sunga, and Bare Kraljske has not been changed, the Consultants considered it necessary to conduct additional consultations with this specific group of stakeholders, as a small number of uncertainties and open

Stakeholder	Period, Methods, and place of engagement	Key information and topic of engagement
		questions remained after the meeting held on September 27, 2024. A meeting was also held with presidents of local communities of Slatina, Kralje and Gnjili potok. This meeting confirmed that the Route change has completely addressed the earlier concerns and expectations.

Annex 5: Community Grievance Register, tracking report and generic dashboards generated

COMMUNITY GRIEVANCE STATUS TRACKING REPORT

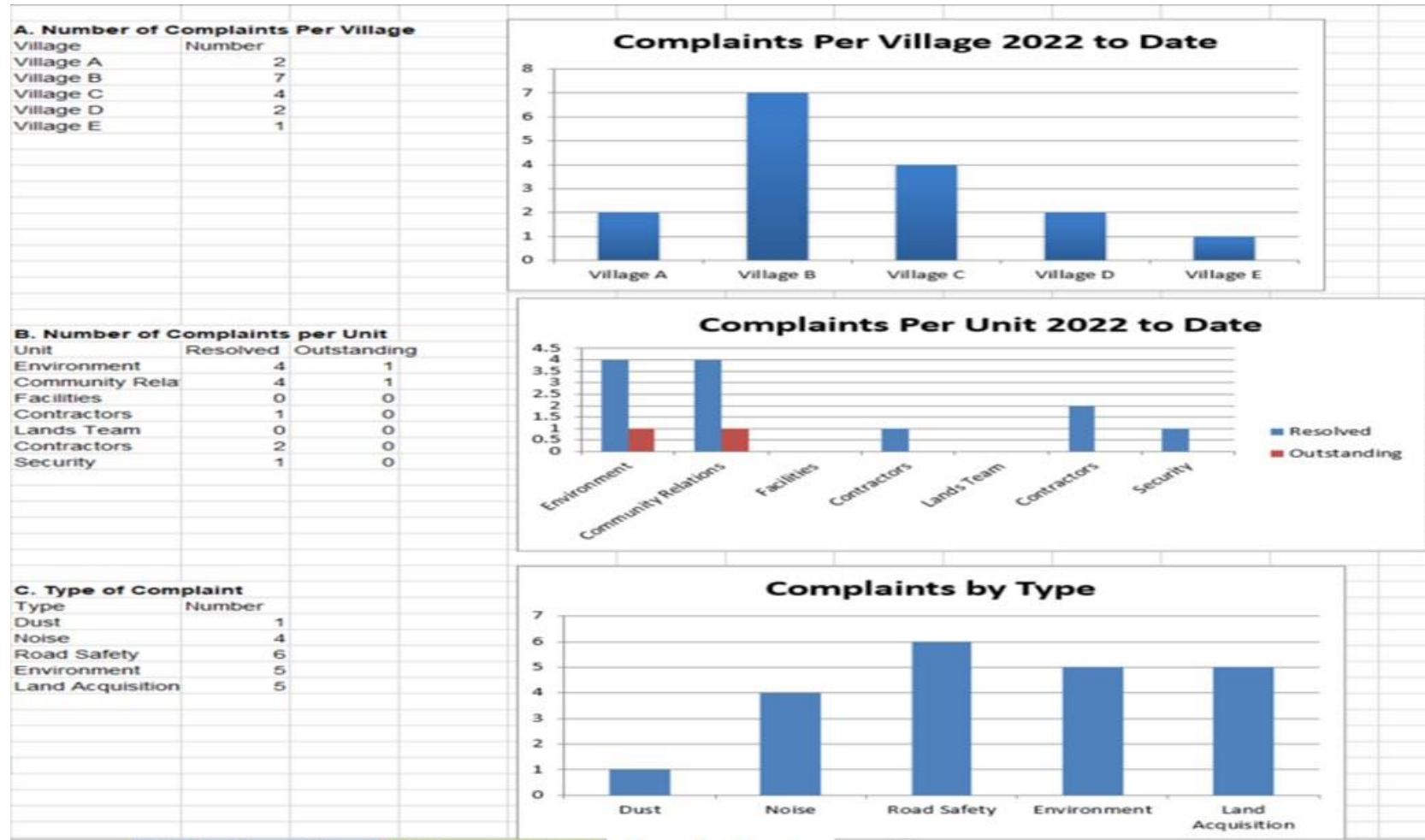
DASHBOARD STATUS AS OF:

Thursday, September 8, 2022

Average Response Time	
Target Resolution Timeframe (days)	30
% Satisfied with Process	100%
% Satisfied with Outcome	100%
Reponse Target (Days)	30 days
Average Duration to Response	
Average Duration to Closure	

Status Report	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Open cases at beginning of month												
New cases this month												
Cases closed this month												
Open cases at end of month												
Average time between receipt and closing out of complaints												
% of closed cases that were closed on time												
% of complainants that were satisfied with the process												
% of complainants that were satisfied with the outcome												

61



Annex 5a: Sample Complaint Acknowledgement Letter

[MONTEPUT d.o.o. Podgorica]

[Date]

[Complainant's name or the name of the organization submitting the complaint if the complainant wishes to remain anonymous]

[Complainant's address or "No physical address"]

Submitted _____ [in person or by mail/e-mail/telephone]

Dear Mr./Mrs./Ms. [family name of complainant]:

Re: Complaint regarding [describe briefly]

MONTEPUT d.o.o. acknowledges that we received your complaint dated _____ [date] in relation to the Project Mateševu Andrijevića Highway. Our company takes community concerns seriously, and we thank you for submitting your complaint. We will make every effort to ensure that your complaint is considered quickly and fairly.

Our company has a grievance mechanism process that we follow to consider and resolve (complaints. Attached is a description of the process (attach form from Annex 6), so you can learn more about it. In accordance with our grievance mechanism procedures, we will determine whether your complaint is eligible for our grievance resolution process and consider next steps, as relevant. We will contact you during this period should we need more information.

You can expect to hear from us within [xx] business days from the date of this letter.

Please refer to the attached grievance mechanism procedures for more information on what you can expect as we address your complaint, including timeframes, responsibilities, and your rights throughout the process.

Sincerely,

MONTEPUT d.o.o. Podgorica

[Name of senior-level management representative]

[Title]

Enclosure: [Any relevant company policies or procedures on submitting grievances]

Annex 6: Grievance registration form

GRIEVANCE FORM –	
INFORMATION ABOUT THE PERSON SUBMITTING THE GRIEVANCE	
Reference no. _____	
Full Name Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent	First name _____ Last name _____ ☐ I wish to raise my grievance anonymously ☐ I request not to disclose my identity without my consent
Contact Information: Please mark how you would like to be contacted (mail, phone, e-mail)	☐ By Post: Please provide mailing address: _____ ☐ By Telephone: _____ ☐ By E-mail _____ ☐ I don't wish to be contacted and will follow up on the resolution on the website of MONTEPUT
Preferred Language for communication	☐ Montenegrin ☐ Other please specify _____
Description of Incident or Grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident/ Grievance	☐ One time incident/grievance (date _____) ☐ Happened more than once (how many times? _____) ☐ On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	
Signature: _____ (not required in case of anonymous complaints) Date: _____	
Please return this form to: Društvo sa ograničenom odgovornošću „Monteput“ Podgorica To the attention of the Grievance Mechanism for the Matešev - Andrijević Project Att. Grievance Manager Milica Bijelovic grievance@monteput.me office@monteput.me Address: Avda Međedovica 130 Telephone: +382 (20) 224 493 81100 Podgorica	

Annex 6a: Comment Form

COMMENT FORM			
INFORMATION ABOUT THE PERSON SUBMITTING THE COMMENT			
We would like you to provide your name, address and email if possible, so we can keep you informed about future developments with the Project. However, if you wish to remain anonymous - please just enter ANONYMOUS in the box below– your comments will still be considered. In case you don't want your personal information to be disclosed to the third parties please enter CONFIDENT in the box below. ☐ ANONYMUS ☐ CONFIDENT			
Name:	<i>Internal use only:</i> how was the comment lodged: ☐ In person ☐ By Phone ☐ By Mail ☐ By email ☐ Other (please describe)		
Date lodged:			
Address:			
Phone:	Do you wish to be kept informed of Project developments?		
Email address:	☐ Yes ☐ No		
Municipality/Village:			
YOUR COMMENTS ON THE PROJECT			
Comment logged (Y/N):	Date:	Comment number:	Logged by:
Response required	Yes/No	Person responsible for preparing response:	
Response sent (date):		Response logged (date):	
Please return to: Društvo sa ograničenom odgovornošću „Monteput“ Podgorica To the attention of the Grievance Mechanism for the Mateševo - Andrijević Project Att. Milica Bijelovic grievance@monteput.me office@monteput.me Address: Avda Međedovica 130 Telephone: +382 20 224 493 81100 Podgorica			

Annex 6b: Public Grievance Leaflet

Public notification on the existence of the Grievance Mechanism available for the Matešev-Andrijević Project

MONTEPUT is striving to ensure that the construction of the section Matešev-Andrijević, will not result in adverse impacts for those living near the Project sites or for other potentially affected stakeholders. However, should there be any issue; we would like to hear about any concerns or grievances that you may have in relation to Project activities.

What kind of grievance can be lodged?

Anyone can lodge a grievance if they feel that Project activities are negatively affecting their households their community or their local environment. Examples of grievances could include, but are not limited to:

- Concerns and questions related to land acquisition and compensation and resettlement
- Increased noise, access issues or other nuisances during construction works or operation;
- Concerns regarding community health and safety, such as increased heavy traffic on local roads, local road damage or inadequate management of waste during construction works;
- Damages to private property, encroachment to private land,
- Concerns about the environment;
- Practices that endanger the health, safety and security of employees working on the Project;
- Inadequate implementation of the Project's Stakeholder Engagement Plan
- Behaviour of the Contractor and its labour.
- In addition, any other related to impacts stemming from development of this Project.

How to file a grievance?

Anyone can lodge a grievance to MONTEPUT (contact details are provided below) or the contractor free of charge in via the following ways:

- verbally (in person or by phone)
- in writing by filling in the attached Project Grievance Form (or in a different form if you wish), and filing such grievance (by hand delivery, mail, or e-mail)

Contact details:

Društvo sa ograničenom odgovornošću „MONTEPUT“ Podgorica
 To the attention of the Grievance Mechanism for the Matešev-Andrijević Project, Att. Milica Bijelovic
grievance@monteput.me
office@monteput.me

Address: Avda Međedovića 130, 81100 Podgorica

Telephone: +382 (20) 224 493

Grievances may be submitted anonymously. In addition, if you would like your grievance to remain Confidential, MONTEPUT will ensure that your name and contact details are not disclosed without your consent and only the persons directly involved in the investigation of your grievance will be aware of them. If it is not possible for the team to fully investigate the grievance without revealing your identity or the contents of your grievance, you will be informed.

How will the grievance be processed?

The following steps will be taken to deal with your grievance:

Step 1 Acknowledge	MONTEPUT will acknowledge receipt of your grievance within 5 business days. It will include your grievance reference number and person responsible to tracking your grievance with his/her contact
Step 2 Evaluate, Assign Owner, and Investigate	Investigation may require visiting location of grievance, engagement with other parties (including third parties), photographs and review of documents. The investigation shall be prompt and aimed to be completed within 7 working days . In more complex cases the investigation may take longer as needed but not more than 21 working day .
Step 3 Consult on grievance and Implement Resolution if the complaint has merits	Discuss the results and proposed resolution with the complainant, including a timeline for implementation. In cases where the grievance is justified and is substantiated implement the resolution either directly or through a third party, which will be done in consultation with the complainant. Resolutions will implemented without delay to prevent further loss or damages and as soon as technically or otherwise feasible
Step 4 Close out and Monitor	After the complaint has been fully investigated, the resolution implemented (if applicable) and monitored, and no further action is deemed necessary to resolve the issue, MONTEPUT will close-out the grievance
Step 5 Appeal (optional complainant is not satisfied)	MONTEPUT has established an additional mechanism for community members to appeal closure of a complaint when they are not satisfied with the outcome of the investigation and/or the proposed resolution. The second tier panel consists of two members from MONTEPUT and one from the local community. On a case to case basis, the second tier panel may choose to include one or more reputable and independent third parties to advise the panel.

Annex 7: Stakeholder engagement register

1	Record all meetings, informal chats, calls, important email/mail exchanges and presentations in this tracker
2	Ensure that you have recorded all necessary details from relevant stakeholder interaction with a good and relevant level of detail, in other words, name, organisation, role, method of interaction, first contact or regular meeting under a specific SEP action, and so on. Please ensure that you are compliant with relevant EU and national legislation on collecting and processing personal information. Please also ensure that you provide prior information on this to the stakeholder as per the requirements of laws and regulations
3	Ensure that you have entered information sensibly and that such information is action-oriented in content/feedback, including noting the action requested by and agreed with the stakeholder, for example, the stakeholder requests more information on the project/operation; looks for specific information; wants to engage further; has a complaint but does not know how to file it; or is distant to the project but would like to keep receiving information; or is willing to engage further but does not have time/ mandate and so on
4	This is a tracker that should provide overall information on engagement activities. Please use your judgement to take proper action to record full content of engagement activity through minutes or reports. Minutes/reports may not be needed for some quick and informal type of activities but may be needed for SEP-defined consultations, large public disclosure activities or when formal records are needed showing agreement over an issue by attendees
5	Do not make changes in format once it is approved by management and in use. Otherwise it becomes difficult to aggregate data and make collective reporting

Stakeholder category	Identify below firstly stakeholder categories as per your stakeholder map/SEP, that is, affected communities and people, authorities, NGOs and so on
Stakeholder engagement indicator	
SEP-identified activity	
Unplanned visit/meeting	

Annex 8: Stakeholder Engagement Policy

In its relations with Stakeholders, MONTEPUT accepts and promotes the following basic principles:

- a) Maintenance of a strategy of strong involvement in the communities in which it operates, which achieves the engagement of all Stakeholders in the transition towards a healthier and more accessible electricity-based energy model.
- b) Development of a responsible business model in order to be an innovative, transparent, integrating, open and committed MONTEPUT, capable of creating sustainable value for all Stakeholders on a shared basis therewith.
- c) Allocation of the necessary resources to the proactive, continued and systematic establishment of fluid channels for dialogue with Stakeholders, in order to establish balanced relationships between corporate values and social expectations, taking into account their interests, concerns and needs.
- d) Development and maintenance of a dynamic organizational structure that allows for the promotion and coordination of responsible actions with Stakeholders and using various instruments to favour communication and dialogue therewith, within a constant process of adaptation to their needs, expectations and interests: direct contact, MONTEPUT's corporate website, the website maintained by the different companies of the Group and the Group's proactive presence on social media. The ultimate goal of these tools is to encourage the engagement of all of MONTEPUT's Stakeholders, reinforce their sense of belonging, strengthen, the principles of business honesty and transparency as drivers of credibility and mutual trust, are the foundations on which the Group builds its relations with Stakeholders.
- e) Identification and consideration of the viewpoints and expectations of affected communities as part of decision-making processes that may have potential impacts on the local population. These actions are taken through consultation processes which vary based on country and activity and thus on the applicable law in each case. These processes can also be complemented with other processes on a voluntary basis, if deemed appropriate.
- f) Assignment to MONTEPUT of the duty of designing, approving and supervising the Stakeholder relationship strategy, endeavouring to ensure proper coordination at the Group level, without prejudice to the implementation of this strategy being governed by the principle of subsidiarity, such that the Group MONTEPUT that is closest to the Stakeholder is primarily responsible for interaction in each

Annex 9: Other Interested Parties

Other interested Parties	Contact address
Municipality of Kolašin	Address: Buda Tomovica bb Postal Code: 81210 Kolašin Email: kolasin.predsjednik@gmail.com , Landline: 068/101-520
Municipality of Andrijevica	Address: Branka Deletica 64a, Postal Code: 84320 Andrijevica Email: soandrijevica@t-com.me Landline: 051/243171
Ministry of Agriculture and Rural Development	Address: Rimski trg 46, Postal Code: 81000 Podgorica Email: elektronskaposta@mpr.me Landline: 020/234-105
Ministry of Sustainable Development and Tourism	Address: IV proleterske brigade 19, Postal Code: 81000 Podgorica Email: arhiva@mrt.gov.me , Landline: 020/446-200
Ministry of Culture	Address: Njegoševa bb Postal Code: 81250 Cetinje Email: kabinet.kultura@mku.gov.me , Landline: 041/232-571
Ministry of Labour and Social Welfare	Address: Rimski trg 46, Postal Code: 81000 Podgorica Email: arhiva@mrs.gov.me , Landline; 020/482-148
Ministry for Human and Minority Rights	Address: Bulevar Svetog Petra Cetinjskog 130, Postal Code: 81000 Podgorica Email: nermina.piranic@mmp.gov.me Landline; 020/234-193
Real Estate Administration and Cadastre	Address: Bulevar Vojvode Stanka Radonjića 1, Postal Code: 81000 Podgorica Email: nekretnine@t-com.me , Landline; 020/444.555
Transport Directorate	Address: IV proleterske brigade 19, Postal Code: 81000 Podgorica Email: upravazasaobracaj@uzs.gov.me , Landline: 020/655-364
Forest Administration	Address: Miloša Tošića 4, Postal Code: 84210 Pljevlja Email: cgsune@t-com.me , Landline: 052/323-578
Administration for Protection of Cultural Property	Address: Njegoševa bb, Postal Code: 81250 Cetinje Email: uzkd@t-com.me , Landline: 041/232-153
Environmental Protection Agency	Address: IV proleterske brigade 19, Postal Code: 81000 Podgorica Email: epamontenegro@gmail.com , Landline: 020/446-500
Centre for social Work Kolašin	Address: Malise Damjanovica 84205 Mojkovac Email: csr.mojkovc@t-com.me Landline: 020/865-645

Other interested Parties	Contact address
PE "EP Montenegro" (electricity supply public utility MONTEPUT - national, with regional units)	Address: Vuka Karadžića 2 (central), Postal Code: 81400 Nikšić Email: rajko.sebek@epcg.com , Landline: 040/204-131
PE National Parks of Montenegro	Address: Trg Vojvode Bećir-Bega Osmanagića bb, Postal Code: 81000 Podgorica Email: npcg@nparkovi.me , Landline: 020/601-015
University of Montenegro in Podgorica	Address: Cetinjska 2, Podgorica
University of Donja Gorica, Podgorica	Address: Oktoih 1 Podgorica
NGO "Green Home" (national, environment)	Address: Dalmatinska 78, Podgorica
Center for Protection and Study of Birds, Montenegro	Address: Veliše Mugoše bb, Podgorica
NGO "Ozon" (national, environment)	http://www.ozon.org.me/
NGO "Prima" (national, women and minority rights)	Address: Radosava Burića bb/I/3, Podgorica
NGO – Association of persons with labour disabilities Kolasin	Address: Dunje Djokic bb, Kolasin
NGO- Elderly help	Address: IV Proleterske brigade 2 Kolašin Red Cross
NGO- Protection and promotion of human and minority rights UBNOR	Address: Trg Boraca, Kolašin
NGO for Poverty reduction – Association of war veterans	Address: Branka Deletica 1, Andrijevisa
MANS – Network for affirmation of Non-governmental sector	Areas: Dalmatinska 188, Podgorica Telefoni: +382 20 266 326 +382 20 266 327 Fax: +382 20 266 328 GSM: +382 69 446 094 +382 67 262 724 E-mail: mans@t-com.me nvomans.sos@gmail.com
OZON NGO	http://www.ozon.org.me/ aleksandar.perovic@ozon.org.me , office@ozon.org.me ,
Homeland museum in Kralje	Address: Kralje bb, Kralje postal Code 84320, Landline +382 69 547 252
Elementary School "Bajo Jovic" Andrijevisa	Director +382 69344942

Other interested Parties	Contact address
Radio Kolašin	rtvcolasin@gmail.com Landline 068 666195
Radio Andrijevica	radioaandrijevica@gmail.com, Landline 051 230 644, 051 230 647
Sport and recreation associations – biking routes	www.biking.bjelasic-komovi.me , www.buki
Fishermen active in fly-fishing	Address: Turistička organizacija Andrijevica Branka Deletića bb 84320 Andrijevica, +382(0) 51/243-113, +382(0) 69/980-769, E-mail: toandrijevica@gmail.com
Community Health Centre Kolašin	Address; Dunje Djokic bb, 81210 Kolašin, Landline: + +382 (0) 20 865-140
Police Station Kolašin	Landline +382 (0) 20 865-002, 382 20 122
Fire department Kolašin	Landline 382 (0) 20 865-938, +382 20 123

