

MINISTRY OF TRANSPORT
OF MONTENEGRO

WESTERN BALKANS TRADE AND
TRANSPORT FACILITATION
PROJECT PHASE 2

ADDITIONAL FINANCING

MNE-WBTTFP-94710



ENVIRONMENTAL AND SOCIAL
MANAGEMENT FRAMEWORK (UPDATED)

June 2026

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ABBREVIATIONS

E&S	Environmental and Social
EEA	European Environmental Agency
EIA	Environmental Impact Assessment
EHSG	World Bank Group Environmental, Health and Safety Guidelines
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESMAP	Energy Sector Management Assistance Program
ESMP	Environmental and Social Management Plan
ESF	Environmental and Social Framework
ESSs	Environmental and Social Standards
GEF	Global Environment Facility
LMP	Labor Management Procedure
OP	Operational Procedure
O&M	Operation and Maintenance
PIU	Project Implementation Unit
RP	Resettlement Plan
RPF	Resettlement Process Framework
SCCF	Special Climate Change Fund
TTFP	Trade and Transport Facilitation Phase 2

1. EXECUTIVE SUMMARY

1.1. PROJECT BACKGROUND

The International Bank for Reconstruction and Development (IBRD) has launched the Multiphase Programmatic Approach¹ (phase 2) in Montenegro to facilitate the achievement of the Western Balkans Governments objective to reduce trade costs and increase transport efficiency. The Loan Agreement for the implementation of the Phase 2 of Western Balkans Trade and Transport Facilitation Project (TTFP) under the Multiphase Programmatic Approach in Montenegro (Parent Project -PP) was signed on 13 February 2023 and its closing date is 30 April 2028. The Amendment No. 1 to the Loan Agreement was signed on May 27, 2024.

On July 24, 2025, the Ministry of Finance in its letter No. 04-11-430/25-247641 requested the restructuring of the Loan No IBRD 9471-ME to accommodate additional financing in the amount of EUR 9,500,000 in grant funding from the Safe and Sustainable Transport Program (SSTP) and to incorporate changes in project activities under the Component 2: Enhancing transport efficiency and predictability, namely by the Design and implementation of Port Community System and financing the improvement of the level crossings safety level. The SSTP grant funding (Additional Financing-AF) was approved by the SSTP Steering Committee Group to support the improvement of 22 rail level crossings on the Podgorica–Nikšić and Podgorica-Bar corridors (EUR 5.3 million) and the construction of an underpass and an alternative road to eliminate two railway crossings on the Nikšić–Podgorica line and construction of the pedestrian underpass at the Airport Railway Stop (EUR 4.2 million).

In its letter of July 29, 2025, the IBRD agreed in principle to the proposed restructuring request and informed that project changes proposed in the restructuring would take effect following a formal restructuring process by the Bank and the signing of the related legal document (a letter amending the Loan Agreement). After the restructuring is approved, the Ministry of Transport and IBRD approached to the defining and signing of the grant agreement from the SSTP.

The TTFP Phase 2 aims to enhance climate resilience of Montenegro's transport sector, through targeted infrastructure activities specifically at railway level crossings by introducing an early warning system and a corridor monitoring observatory and by enhancing institutional capacity through the provision of studies, guidelines, and integration of climate resilience considerations in the NTDS. Improving resilience of the transport network is a part of the Transport Community Treaty (TCT), Sustainable and Smart Mobility Strategy for Western Balkans and as well as Sofia Declaration on Green Agenda for Western Balkans all signed by Montenegro as well.

The key benefit will be more efficient processing of international trade and transport documentation for both traders and the administration. The envisaged significant cost savings are expected to result in lower transport costs, reductions in GHG emissions associated with the decrease in truck idling time, reduced administrative costs to trade, and finally in increased competitiveness on regional and global markets.

The project is structured to include the following four components, which are common to the region, with the specific scope of activities adjusted for each beneficiary. The revised Project for Montenegro encompasses activities approved by Parent Project – PP and Additional Financing -AF and is referred in further text as Project. The specific objectives of the Project for Montenegro are:

¹The World Bank has prepared a multi-phase project, the Western Balkans Trade and Transport Facilitation Project (WBTTFP), which is carried out in two phases. Phase 1 includes Albania, North Macedonia and Serbia. Phase 2 includes Bosnia and Herzegovina, Kosovo and Montenegro.

Component 1: Facilitating movement of goods across the Western Balkans focusing

Component 2: Enhancing transport efficiency and predictability

Component 3: Implementation of commitments to improve market access in services and foster regional investments.

Component 4: Project Implementation Support

To enable implementation of the Project components, a number of subprojects will be developed under its scope.

In accordance with the World Bank Environmental and Social Framework (ESF), the Project will apply a proportionate, risk-based approach in order to assess and manage social impacts. Taking into consideration nature of the planned interventions, which are largely focusing to existing railway corridors and do not foresee land acquisition, social risks and impacts are expected to be site-specific, temporary, and of limited magnitude. Accordingly, each subproject will undergo a site-specific environmental and social screening to identify potential impacts on local communities, including issues related to access to land and assets, safety, and the presence of vulnerable groups. Stakeholder engagement activities will be carried out in accordance with ESS10 in order to assure that affected communities are fully informed and have the opportunity to provide their inputs throughout project implementation.

1.2. OBJECTIVES OF THE ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

According to the World Bank (WB) Environmental and Social Framework of 2016 (ESF), the *Environmental and Social Management Framework (ESMF)* is **an instrument that examines the risks and impacts when a project consists of a program and/or series of subprojects, and the risks and impacts cannot be determined until the program or subproject details have been identified.**

The project will be implemented in accordance with the World Bank's Environmental and Social Framework (ESF)². To ensure consistency with the ESF requirements and national legislation, an Environmental and Social Management Framework (ESMF)³ has been developed in 2022 for the Parent Project (PP)⁴ to guide the identification, assessment, and management of environmental and social risks and impacts associated with all project activities and is now updated to accommodate changes introduced in the Project architecture and specifically the components and individual activities through the Additional Financing (AF). The project includes a number of subprojects to be implemented under its scope, which indicated the need for the development of ESMF for both PP and AF. The ESMF establishes the overarching procedures, principles, and tools for the identification, assessment, management, and monitoring of E&S risks and impacts across the Project. It serves as the primary framework for ensuring the application of the World Bank ESF and complements Montenegrin legislation in areas where national requirements do not fully address ESF provisions. Specifically, the ESMF provides a methodological framework for the preparation of site-specific instruments—such as ESIA's and ESMPs - once final technical designs and locations are confirmed.

It also guides risk management for subprojects where designs or sites, including associated facilities, are not yet defined, through the application of screening tools, exclusion criteria, and interim mitigation measures. In addition, the ESMF ensures that technical assistance and institutional support activities are designed and implemented in line with the objectives and principles of the World Bank ESF, thereby preventing the generation of downstream E&S risks.

² The ESF is accessible at - <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>. Latest accessed on November 3, 2022.

³ This ESMF will be updated as necessary in the event of any material changes to the project description, scope of activities, or environmental and social risk profile during the project cycle, subject to World Bank review and clearance.

⁴ Initially launched project under phase 2 of WB TTFP

The ESMF remains applicable to both the Parent Project (PP) and the Additional Financing (AF) (in further text referred to collectively as the Project) and serves to guide:

- Project-wide E&S risk management, ensuring consistency and compliance across all components;
- Activities that do not require site-specific instruments or a full ESIA, but still require adherence to E&S standards and good practice;
- The identification and management of new or emerging risks that may arise during implementation due to design changes, unforeseen impacts, or additional activities;
- The preparation of supplementary instruments, where required, to ensure that site-specific ESIA/ESMPs fully cover associated facilities (should such facilities be identified);

The assessment and management of E&S risks related to associated facilities, ensuring that these are subject to the same due diligence and mitigation measures as primary project investments; Although the potential subprojects have already been proposed for each of the phases, taking into consideration the large coverage of the project, and its overall duration, there is a chance that a number of proposed subprojects will be further developed during the actual implementation of the project. In order to facilitate the adequate preparation of such subprojects, this updated ESMF is used to define and guide the environmental and social (E&S) due diligence mechanisms for the said activities. This ESMF should be read together with other documents prepared for the project, including the Stakeholder Engagement Plan (SEP), the Environmental and Social Commitment Plans (ESCPs), Resettlement Policy Framework (RPF), and Labor Management Procedures (LMP).

The Bank classifies all projects into one of four classifications: High Risk, Substantial Risk, Moderate Risk or Low Risk. High-risk and Substantial Risk subprojects are to be excluded from financing under this Project. For Moderate Risk and Low Risk subprojects the assessment will be carried out in line with the ESF, WB environmental and Social Standards and Montenegrin environmental laws and will include preparation of a site-specific Environmental and Social Management Plan (ESMP), or ESMP in the format of a checklist (ESMP Checklist) compliant to this ESMF and ESF relevant standards.

2. INTRODUCTION

This ESMF follows the World Bank Environmental and Social Framework (ESF) as well as the national laws and regulations of Montenegro. The objective of the ESMF is to assess and mitigate potential negative environmental and social risks and impacts of the Project consistent with the Environmental and Social Standards (ESSs) of the World Bank ESF and national requirements. More specifically, the ESMF aims to (a) assess the potential environmental and social risks and impacts of the proposed Project and propose mitigation measures; (b) establish procedures for the environmental and social screening, review, approval, and implementation of activities; (c) specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social issues related to the activities; (d) identify the staffing requirements, as well as the training and capacity building needed to successfully implement the provisions of the ESMF; (e) address mechanisms for public consultation and disclosure of project documents as well as redress of possible grievances; and (f) establish the budget requirements for implementation of the ESMF.

This ESMF should be read together with other plans prepared for the project, including the Stakeholder Engagement Plan (SEP), the Environmental and Social Commitment Plan (ESCP), Resettlement Policy Framework (RFP), and Labor Management Procedures (LMP).

2.1. PROJECT DESCRIPTION

2.1.1. OBJECTIVES

The Higher-level Objective of the Western Balkans Trade and Transport Facilitation Project (TTFP) is to reduce trade costs transport efficiency in the Western Balkans. For Montenegro is to support - through a Multiphase Programmatic Approach Montenegro's regional integration efforts and future integration in European Union.

The Development Objective of the TTFP (Phase 2 of the Project) is to reduce trade costs and to increase transport efficiency in the Western Balkans through a longer-term, adaptive, and continuous engagement.

The main benefits of the Project relate to economic development, lower costs and time savings, safety, environmental benefits in terms of reduced GHG emissions, and possibly other positive externalities. Further, regional economic development through increased trade and investment because of lower transport costs and improved rail connectivity will be supported. Finally, the Project is fully aligned with Montenegro's EU accession agenda and is designed to integrate with the Transport Community Treaty (TCT), signed in July 2017 between the EU and the Western Balkans Six (WB6), of which Montenegro is a member.

2.2. PROJECT CONTENTS AND RESTRUCTURING

The Phase 2 of Western Balkans Trade and Transport Facilitation Project (TTFP) under the Multiphase Programmatic Approach in Montenegro (Parent Project -PP) initially launched in 2023 by the International Bank for Reconstruction and Development (IBRD) under the Loan Agreement, was restructured in 2025 to accommodate Additional Financing (AF) in grant funding from the Safe and Sustainable Transport Program (SSTP), and to incorporate changes in project activities under the Component 2: Enhancing transport efficiency and predictability by the Design and implementation of Port Community System and financing the improvement of the level crossings safety level.

The Project includes a combination of investments, technical assistance, and regulatory and institutional reforms. The revised Project encompasses activities approved by Parent Project – PP and Additional Financing - AF and is referred in further text as Project. All activities financed through the Parent Project as well as those introduced under the Additional Financing and the changes in initial Project design are presented in Table 1.

TABLE 1: ACTIVITIES APPROVED BY THE PROJECT

APPROVED PROJECT (PARENT PROJECT)		IBRD (USD)	RESTRUCTURED PROJECT (ADDITIONAL FINANCING)		IBRD (USD)	SSTP (EUR)	Note
COMPONENT	SUBCOMPONENT		COMPONENT	SUBCOMPONENT			
Component 1: Facilitating movement of goods across the Western Balkans		5,850,000	Component 1: Facilitating movement of goods across the Western Balkans		5,857,600		
	1.1. Design and Implementation of a National Single Window	4,850,000		1.1. Design and Implementation of a National Single Window	4,857,600		
	1.2. Preparation of the technical designs for the building and equipment for the new customs inspection facility at the Port of Bar and procurement of related equipment	1,000,000		1.2. Preparation of the technical designs for the building and purchase of equipment for the new customs inspection facility at the Port of Bar.	1,000,000		
Component 2: Enhancing transport efficiency and predictability		8,200,000	Component 2: Enhancing transport efficiency and predictability		7,532,536		
	2.1. The digitalization of the Port of Bar	4,800,000		2.1. Development of Port Community System	4,800,000		Replaced activity
	2.2. The improvement of selected Railway Level Crossings (RLC) on the rail network	1,500,000					
				2.2.1 Construction of a Railway Underpass at the Airport Railway Station	1,000,000		Replaced activity
				2.2.2 Improvement of 22 rail level crossings on the Podgorica–Nikšić and Podgorica Bar lines		5,300,000	New activity
				2.2.3 Construction of an underpass and alternative road to eliminate three railway crossings on the Nikšić–Podgorica line and construction of the pedestrian underpass at the Airport Railway Stop		4,200,000	New activity
	2.3. Preparation and update of existing National Transport Strategies and Studies	1,500,000		2.3. Preparation and update of existing National Transport Strategies and Studies	1,672,536		
	2.3.1. Preparation of Study on Intermodal Transport Development	700,000		2.3.1. Preparation of Study on Intermodal Transport Development	150,000		Old activity, funds decreased

APPROVED PROJECT (PARENT PROJECT)		IBRD (USD)	RESTRUCTURED PROJECT (ADDITIONAL FINANCING)		IBRD (USD)	SSTP (EUR)	Note
COMPONENT	SUBCOMPONENT		COMPONENT	SUBCOMPONENT			
	2.3.2. Update of the Transport Development Strategy	400,000		2.3.2. Update of the Transport Development Strategy	400,000		Old activity, unchanged
	2.3.3. Preparation of an ITS strategy for maritime affairs	200,000		2.3.3. Preparation of an ITS strategy for maritime affairs	150,000		Old activity, funds decreased
	2.3.4. Preparation of technical guidelines for the design, construction, and maintenance of roads	200,000		2.3.4. Preparation of technical guidelines for the design, construction, and maintenance of roads	200,000		Old activity, unchanged
				2.3.5. Railway Market Development and Competitiveness Study	570,000		New activity
				2.3.6. Preparation of bylaws in the field of railway and road transport	130,000		New activity
				2.3.7. Update of Transport model	40,000		New activity
				2.3.8. Rail Freight Market and Operations Analysis	32,536		New activity
	2.4. Development of a Corridor Monitoring System	390,000		2.4. Development of a Corridor Monitoring System			Cancelled activity
	2.5 Internship Program for female students and graduates in technical areas	10,000		2.4 Internship and scholarship programs in technical areas	60,000		
				2.4.1. Internship Program for female students and graduates in technical areas	50,000		Old activity, Funds upgraded
				2.4.2. Scholarship program for retraining in a shortage occupation — train drivers	10,000		New activity
Component 3: Supporting the implementation of commitments to improve market access in services and foster regional investments		0	Component 3: Supporting the implementation of commitments to improve market access in services and foster regional investments		0		

APPROVED PROJECT (PARENT PROJECT)		IBRD (USD)	RESTRUCTURED PROJECT (ADDITIONAL FINANCING)		IBRD (USD)	SSTP (EUR)	Note
COMPONENT	SUBCOMPONENT		COMPONENT	SUBCOMPONENT			
Component 4: Project management		750,000	Component 4: Project Implementation Support		1,409,864		
Contingency		200,000	Contingency		200,000		
Total		15,000,000	Total		15,000,000	9,500,000	
		EUR 14,500,000			EUR 14,500,000		

* Activities in red indicate cancelled activities; in blue new or revised activities; black font unchanged activities;

2.3. PROJECT COMPONENTS

As mentioned above, the Project will be implemented through four components and six sub-components, as presented in table 2:

TABLE 2: PROJECT COMPONENTS

Component	Subcomponent
Component 1: Facilitating movement of goods across the Western Balkans	Sub-component 1.1: Design and Implementation of a National Single Window solution for trade and the associated reform and modernization of Customs and other border management agency requirements Sub-component 1.2: Preparation of the technical designs for the building and purchase of equipment for the new customs inspection facility at the Port of Bar.
Component 2: Enhancing transport efficiency and predictability	Sub-component 2.1: Design and implementation of Port Community System Sub-component 2.2: Upgrade of 22 RLCs on the Podgorica-Niksic and Podgorica-Bar lines, removal of 2 critical crossings through construction of an underpasses and an alternative road on the Podgorica-Niksic line and construction of the pedestrian underpass at the Airport Railway Stop Sub-component 2.3: Update to the existing National Transport Strategy with Transport Demand Model, as well as preparation of specific transport strategies, studies and bylaws in transport sector 2.3.1. Preparation of the Study on Intermodal Transport Development 2.3.2. Update of the Transport Development Strategy 2.3.3. Preparation of an ITS strategy for maritime affairs 2.3.4. Preparation of technical guidelines for the design, construction, and maintenance of roads 2.3.5. Railway Market Development and Competitiveness Study 2.3.6. Preparation of bylaws in the field of railway and road transport 2.3.7. Update of Transport model 2.3.8. Rail Freight Market and Operations Analysis Sub-component 2.4: Internship and Scholarship Program in technical areas Internship and scholarship program 2.4.1. Internship Program for female students and graduates in technical areas 2.4.2. Scholarship program for retraining in a shortage occupation – train drivers
Component 3: Implementation of commitments to improve market access in services and foster regional investments.	
Component 4: Project Implementation Support	

2.3.1. COMPONENT 1: FACILITATING MOVEMENT OF GOODS ACROSS THE WESTERN BALKANS

SUB-COMPONENT 1.1: DESIGN AND IMPLEMENTATION OF A NATIONAL SINGLE WINDOW. This sub-component will finance the design and implementation of a National Single Window System (NSW) solution, to establish improved information sharing between government agencies and businesses involved in trade across the Western Balkans. Once implemented, the system will allow traders to submit and process all required import, export and transit documentation electronically via a single gateway. In addition, and in compatibility with the NSW, the project will support and expand the New Computerized Transit System (NCTS) to Montenegro, an agreement providing a mutual system for Custom transportation between the EU Member States and the EFTA countries (Norway, Switzerland, Liechtenstein, and Iceland). With regards to non- EU countries and the participating parties, it has been implemented thus far in North Macedonia, Turkey and in Serbia.

SUB-COMPONENT 1.2: PREPARATION OF THE TECHNICAL DESIGNS FOR THE BUILDING AND PURCHASE OF EQUIPMENT FOR THE NEW CUSTOMS INSPECTION FACILITY AT THE PORT OF BAR. This sub-component will complement the implementation of the NSW by providing the designs and other technical documents for the facilities and equipment for the new customs inspection area in the Port of Bar. One of these complementary activities pertains to the construction of a facility for carrying out detailed customs control in the Free Zone Port of Bar customs terminal. The construction of the customs inspection building and the procurement of related inspection equipment will be financed through national funds or other IFI grants.

2.3.2. COMPONENT 2: ENHANCING TRANSPORT EFFICIENCY AND PREDICTABILITY

SUB-COMPONENT 2.1: DEVELOPMENT OF PORT COMMUNITY SYSTEM. This sub-component replaced the initially approved activity *Digitalization of the Port of Bar*. The implementation of this platform would be carried out according to the plan that is already drawn up and which foresees that the beneficiary of PCS will be the Administration for Maritime Safety and Port Management, while the role of responsible authority of the beneficiary will be assumed by the Ministry of Maritime Affairs. The PCS will be designed to streamline and optimize maritime supply chain efficiency, by establishing a trusted and neutral public-private data collaboration platform. This will be achieved through the orchestration of inter-organizational business processes with a single submission of data by public and private stakeholders. The PCS will transform the Ministry of Maritime Affairs' operational capabilities, enhance compliance with international maritime standards, and foster a culture of continuous improvement and innovation.

SUB-COMPONENT 2.2: IMPROVEMENT OF SELECTED RAILWAY LEVEL CROSSINGS (RLC) ON THE RAIL NETWORK IN MONTENEGRO. The RLC subcomponent plays a pivotal role in mitigating safety risks at priority rail-road intersections by reducing the frequency of accidents and improving overall traffic management. Through the modernization of key railway level crossings, the automated signaling systems, enhanced barriers, and real-time monitoring will be introduced. This will result in a more resilient and efficient railway network, providing substantial improvements in both safety and system performance.

The 2 main objectives for this sub-component are:

1. Increasing of the safety level, reconstruction and improvement of 22 level crossings on the Podgorica–Nikšić railway line and Podgorica - Bar railway line (listed in Annex A)
2. Construction of an underpass and alternative road to eliminate two railway crossings on the Nikšić–Podgorica railway line and construction of the pedestrian underpass at the Airport Railway Stop.

The activities will commence with redesign/development of the technical documentation for each above-mentioned structure. After obtaining necessary permits, implementation will begin. This will include the procurement and installation of the equipment, together with construction works.

2.3.2.1. Rail Level Crossings

The rail safety is recognized as the most important parameter in the rail traffic. Level crossings have been identified as potential weak points in the railway infrastructure that significantly threaten the safety and efficiency of traffic in Montenegro, due to increased traffic, specifically on roads. The operationalization of functioning RLC is a key to the objective of improving transport efficiency and predictability for the railway trade flows in the Western Balkans. Basic requirement for the level crossings safety is reduction of number of accidents.

Protection of Level crossings According to the EU legal classification (reference to Directive (EU) 2016/798 on railway safety from 11 May 2016), LCs are divided into “Active” and “Passive” (where “Passive” are those where roads cross the railway without any form of warning system or protection activated when it is unsafe for the user to use the crossing, whereas “Active” are those where the crossing users are protected from or warned of the approaching train by the devices activated when it is unsafe for the user to traverse the crossing). In EU MS, 45% of LCs are “Passive”, i.e. 55% “Active”, while the related averages in the WB6 are much worse, i.e. in favour of the less safe “Passive” LCs. (24% of “Active” and 76% of “Passive”)⁵.

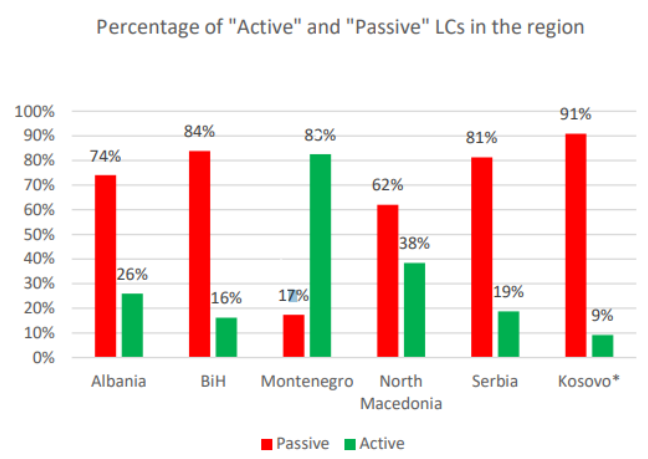


FIGURE 1 PERCENTAGE OF ACTIVE AND PASSIVE LCs IN THE REGION

On the basis of the 2026 Network Statement issued by Railway infrastructure of Montenegro (ŽICG) there are 35 level crossings on the railway network managed by ŽICG. Their stations, names and the safety level are given in Table 3.

The Permanent Secretariat of the Transport Community has issued in 2022 the “Level Crossings Safety Improvement Project Report” which analyses the current situation on safety at level crossings (LCs) in the Western Balkans and provides recommendations for improving protection at a certain number of LCs in the region. Montenegro has a higher percentage of active signaling on level crossings than passive. There are 23 LCs in Montenegro examined by the Report.

The intensity of rail traffic based on the timetable is as follows:

- 13 LCs with 27 trains/per day.
- 9 LCs with 64 trains/per day.
- 1 LC with 82 trains per day.

⁵ Level Crossings Safety Improvement Project Report - draft Permanent Secretariat of the Transport Community, 8/29/22

The number of trains by execution of the timetable is presented as:

- 10 LCs with more than 10 trains/per day – all on the line Bar-Podgorica-Bijelo Polje.
- 13 LCs with fewer than 10 trains/per day (7 trains actually) – all on the line Podgorica-Nikšić.

Analysis of the level crossings present condition in terms of safety provides conditions for further application of relevant measures for increasing the safety and interlocking level on the level crossings. The proper legislation is a crucial part for keeping good level of safety, but not sufficient. Other factors are: the LCs equipment, their operational condition and maintenance, and density of road traffic. The Report examined the possibilities for an upgrade of LCs and gave the recommendation for either denivelation or an upgrade for all WB6 countries.

On the basis of the 2026 Network Statement issued by Railway infrastructure of Montenegro (ŽICG) there are 35 level crossings on the railway network managed by ŽICG. Their stations, names and the safety level are given in Table 3. The 22 LCs planned for reconstruction and improvement by the project are marked with orange color in the Table 3. The proposed improvements on the 22LCs are given in the Annex 1 of the Report. The photo documentation of LCs is given in Annex 2.

TABLE 3. LEVEL CROSSINGS IN MONTENEGRO AND THEIR CURRENT SAFETY

*The cells in orange mark the LCs, the cells in green mark underpass at Mlin Spuž, and alternative road at Ždrebaonik - TTFP Project

No	LC	Road crossing station	Railway/Section of railway	Safety level
1	Zagorič	402+281/53+610	Podgorica – Bar / Nikšić Podgorica	Bumpers, light and sound signaling
2	Cijevna	411+670	Podgorica – Bar	Bumpers, light and sound signaling
3	Mahala	414+241	Podgorica – Bar	Bumpers, light and sound signaling
4	Vukovci	417+193	Podgorica – Bar	Light and sound signaling
5	Morača	419+103	Podgorica – Bar	Light and sound signaling
6	Bistrice	422+692	Podgorica – Bar	Bumpers, light and sound signaling
7	Virpazar	433+135	Podgorica – Bar	Bumpers, light and sound signaling
8	Žukotrljica	450+844	Podgorica – Bar	Bumpers, light and sound signaling
9	Šušanj	452+058	Podgorica – Bar	Bumpers, light and sound signaling
10	Mušovina	0+000	Nikšić - Podgorica	Bumpers, light and sound signaling
11	Kličevo	2+082	Nikšić - Podgorica	Bumpers, light and sound signaling
12	Dabovići	14+364	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
13	Požar - Ostrog	17+114	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
14	Šobajčići	21+014	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
15	Bare Šumanovića	22+681	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
16	Slap	26+426	Nikšić - Podgorica	Light and sound signaling
17	Pažići	33+776	Nikšić - Podgorica	Illegal
18	Sekulići	34+938	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
19	Ždrebaonik ⁶	35+419	Nikšić - Podgorica	Illegal
20	Kopito Petrovića	36+588	Nikšić - Podgorica	Bumpers, light and sound signaling
21	Kruščice	37+595	Nikšić - Podgorica	Bumpers, light and sound signaling
22	Ljutotuk	38+209	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
23	Martinići	39+013	Nikšić - Podgorica	Bumpers, light and sound signaling
24	Prentina glavica	40+255	Nikšić - Podgorica	Bumpers, light and sound signaling
25	Podglavica	42+118	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
26	Burum	42+906	Nikšić - Podgorica	Bumpers, light and sound signaling
27	Mlin-Spuž ⁷	44+114	Nikšić - Podgorica	Illegal
28	Šunjine	44+715	Nikšić - Podgorica	Light and sound signaling

⁶ The road crossing "Ždrebaonik" will be abolished when an alternative crossing outside the railway level is built, i.e. an alternative road to the nearest neighbouring crossing - "Sekulići".

⁷ The road crossing "Mlin-Spuž" will be reconstructed with an alternative crossing outside the level of the railway, and construction of an underpass

No	LC	Road crossing station	Railway/Section of railway	Safety level
29	Pričelje	45+879	Nikšić - Podgorica	Bumpers, light and sound signaling
30	Donje šume	46+765	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
31	Laze Radevića	48+124	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility
32	Duklja	51+586	Nikšić - Podgorica	Bumpers, light and sound signaling
33	Zagorič 2	52+689	Nikšić - Podgorica	Bumpers, light and sound signaling
34	Putni prelaz 1	4+665	Podgorica - Tuzi	Traffic signs on the road and zone of required visibility
35	Putni prelaz 2	5+850	Podgorica - Tuzi	Traffic signs on the road and zone of required visibility

In addition to LCs improvement, construction of an underpass and alternative road to eliminate two railway crossings on the Nikšić–Podgorica railway line and construction of the pedestrian underpass at the Airport Railway Stop are envisaged under sub-component 2.2. The activities to be performed are:

- Construction of the access road along the railway from the Ždrebaonik road crossing to the Sekulići road crossing to eliminate Ždrebaonik road crossing
- Construction of the Spuž underpass with the reconstruction of the access roads
- Construction of a pedestrian underpass at the Airport railway Stop on the Podgorica - Bar railway line

SUB-COMPONENT 2.3: PREPARATION AND UPDATE OF EXISTING NATIONAL TRANSPORT STRATEGIES AND STUDIES. This sub-component will finance the following activities: a) Preparation of the Study on Intermodal Transport Development; b) Update the Transport Development Strategy 2019-2035 with Transport Demand Model; c) Preparation of an ITS strategy for maritime affairs; d) Preparation of technical guidelines for the design, construction and maintenance of roads integrating climate resilience considerations, e) preparation of Railway Market Development and Competitiveness Study, f) preparation of bylaws in the field of road and railway transport

SUB-COMPONENT 2.4: INTERNSHIP AND SCHOLARSHIP PROGRAMS IN TECHNICAL AREAS: A) INTERNSHIP PROGRAM FOR FEMALE STUDENTS AND GRADUATES IN TECHNICAL AREAS. The internship program will provide 6 – 12 months traineeships to female University students studying in technical areas such as engineering, IT, logistics, and transport. The internship program will be hosted by the MoT and/or jointly with the project beneficiaries - MOI, CA, Port Authority of Bar and RIOM. The internship program will provide the opportunity to the interns to gain first-hand experience working on the implementation of some of the project's key components such as the NSW, the digitalization of the Port of Bar, modernization of RLCs and various strategic documents and studies that will be developed during the implementation of the project. b) **Scholarship program for retraining in a deficit occupation — train drivers** which addresses critical skills shortages and build human capital for sustainable railway operations. Together, these activities will reinforce the project's core objectives of trade cost reduction, transport efficiency, multimodal connectivity (integrating road and rail networks), and institutional strengthening, delivering significant efficiency gains for Montenegro through enhanced rail integration and trade facilitation.

2.3.3. COMPONENT 3: SUPPORT FOR IMPLEMENTATION OF COMMITMENTS TO IMPROVE MARKET ACCESS IN SERVICES AND FOSTER REGIONAL INVESTMENTS.

This sub-component will finance technical assistance to government agencies to implement the commitments made by Montenegro under the CEFTA AP6 to liberalize trade in services. Trade in services is—more than trade in goods—influenced by a wide range of domestic regulations (e.g., licensing requirements, competition framework, network services regulations, universal access provisions, etc.). The quality of regulations (and the corresponding enforcing agency/institutions) is therefore a key

determinant of whether services trade (and investment) liberalization will translate into economic and social gains.

2.3.4. COMPONENT 4: PROJECT IMPLEMENTATION SUPPORT

This component will support the Project Implementation Unit (PIU) and provide additional technical support, including policy coordination, operating costs, and monitoring and evaluation of the project. It will also support several citizen engagement and gender related activities tools: (a) public consultations during the first phase of the project; (b) annual multi-stakeholder dialogues; (c) a grievance redress mechanism; and (d) three business inspection services and user satisfaction surveys.

2.4. PROJECT BENEFICIARIES

Beneficiaries of phase 2 include producers, traders, exporters, importers, and transport service providers, as well as CA and other agencies regulating import and export procedures. The envisaged growth in investment and trade will stimulate new employment and business opportunities, benefitting firms already involved in international trade and enabling new firms, particularly small and medium size ones in Montenegro, to access international markets. The effects are likely to be higher for time-sensitive goods, including perishable agricultural products and intermediate manufactured goods, which feature prominently in global value chains, where lead time and predictability are critical.

Finally, the key benefit will be more efficient processing of international trade and transport documentation for both traders and the administration. Such efficiencies will enhance the transparency of transactions and reduce duplications and overlaps. The envisaged significant cost savings are expected to result in lower transport costs, reductions in GHG emissions associated with the decrease in truck idling time, reduced administrative costs to trade, and finally in increased competitiveness on regional and global markets.

3. ENVIRONMENTAL AND SOCIAL POLICIES, REGULATIONS, AND LAWS

3.1. OVERVIEW OF ENVIRONMENTAL AND SOCIAL REQUIREMENTS IN MONTENEGRO

3.1.1. ENVIRONMENTAL IMPACT ASSESSMENT PROCEDURE

In Montenegro, the procedure for conducting the Environmental Impact Assessment (EIA) is regulated by:

- the Law on EIA⁸,
- the Decree on Project Subject to Environmental Impact Assessment⁹

The Decree classifies projects into two groups (lists):

- Projects under List 1, subject to mandatory EIA, and
- Projects under List 2, for which the competent state or local authority should decide whether development of an EIA study is required, depending on the potentially significant environmental impacts. The public and other parties need to be consulted as well.

The Law on EIA prescribes the procedures for developing EIA studies for projects that may have significant environmental impacts. Contents of the EIA study, participation of interested parties, evaluation of EIA studies and issuing approvals, notification of other states on projects with potential transboundary effects, supervision and other relevant issues are also addressed.

Pursuant to the Law, the entire EIA process includes three specific procedures:

- Screening as the stage of determining whether an EIA is required;
- Scoping as the stage of determining the scope or extent of the EIA;
- Review as the stage of reviewing the EIA Study to see if it has been undertaken to an acceptable standard and in accordance with the legal requirements.

The competent authorities for EIA are: Nature and Environmental Protection Agency for projects subject to Construction Permits, and the local self-government units (municipalities) for projects not subject to the Construction Permits and which need a Construction Notification. The EIA procedure has to be conducted before the Construction Permit is issued and before starting any construction activities.

Screening procedure:

1. The investor submits an application to the competent authority to decide on the need for EIA.
2. The competent authority checks whether the prescribed documentation has been submitted. If the documentation is incomplete, it requests additional information from the investor within three days and sets the deadline for their submission. If the applicant fails to submit the additional information, the competent authority refuses the application as incomplete.
3. The competent authority has to inform the interested authorities, organizations and public of the submitted application within three days from the receipt of a complete application. They can submit their opinions within five days.
4. The competent authority decides on the need for developing an EIA Study within four days from the date of receipt of the opinions of interested parties.
5. The competent authority informs the interested parties on the adopted decision.
6. The adopted decision may be appealed to the Ministry or the Chief Administrator.

Scoping procedure:

1. The investor may submit an application to ask for a decision on the scope and contents of the EIA Study.

⁸ Official Gazette of Montenegro, No. 75/18

⁹ Official Gazette of Montenegro, No. 20/07 and 47/13

2. The competent authority verifies that the documentation is complete.
3. Within three days, the competent authority sends the complete application to the Commission appointed by the competent authority.
4. The Commission evaluates the application and submits a proposal of the contents and scope of the EIA Study to the competent authority within ten days.
5. The competent authority informs the investor, interested authorities, organizations, and the public about the proposal of the Commission within five days. They can submit their opinions within twenty days.
6. The competent authority makes a decision on the contents and scope of the EIA Study within five days, after which it sends the decision to the investor and all stakeholders within three days.
7. The adopted decision may be appealed to the Ministry or the Chief Administrator.

Review and approval of the EIA Study:

1. The investor submits an application for approval of the EIA Study to the competent authority. In case of prior scoping, the investor submits the application within two years from the receipt of the final decision on the scope and contents of the EIA Study.
2. Within five days, the competent authority organizes a public hearing and informs all stakeholders.
3. The EIA Study has to be published on the website of the competent authority and on the e-Government portal at least 10 working days before the day of the hearing.
4. Within two days from the hearing, the competent authority submits the EIA Study to the Commission together with the remarks and opinions obtained during the public disclosure period and the hearing.
5. After evaluation, the Commission submits its own report on the EIA Study, with a proposal of its approval or rejection to the competent authority within 25 days.
6. The competent authority decides on granting the approval or rejecting the application, sends the decision to the investor and informs all stakeholders.

3.1.2. WASTE MANAGEMENT REGULATIONS

The *Law on Waste Management* ¹⁰ regulates waste types and classification, planning of waste management, conditions for waste collection, transport, treatment, storage and disposal, rights, duties and responsibilities of legal and physical persons involved in waste management, and conditions and procedures for waste management permits.

A waste producer that produces more than 200 kg of hazardous waste or more than 20 tons of non-hazardous waste annually is required to develop a Waste Management Plan. The Plan contains the following:

- Information on the type, amount and location of generation of individual types of waste on an annual basis, in accordance with the waste catalogue,
- Period during which the process or activities resulting in waste production will be carried out,
- Measures to prevent the production of waste or reduce the amount of waste and its negative impact on the environment,
- Waste management methods, which includes collection, temporary storage (location), transport and treatment of waste.

The Rulebook on waste classification and waste catalogue¹¹ defines waste categories by activities. Some waste categories which may be generated as a result of activities potentially included in this Project are provided below.

¹⁰ Official Gazette of Montenegro No. 034/24 od 12.04.2024, 092/24 od 25.09.2024)

¹¹Official Gazette of Montenegro, No. 064/24 od 04.07.2024

TABLE 4 WASTE GENERATED BY THE ACTIVITIES POTENTIALLY INCLUDED BY THE PROJECT

Activity from which the Waste Originates	Rulebook Code
Construction waste and demolition waste (including excavated soil from contaminated sites)	17
Municipal waste (household waste and similar waste from commercial activities and industrial facilities), including separately collected fractions	20

In accordance with the Law on Waste Management of Montenegro and applicable secondary legislation, waste generated during the implementation of project activities must be managed in a manner that prevents pollution of the environment, protects human health and ensures compliance with the waste hierarchy. Waste producers, including contractors and subcontractors engaged by the Investor, are legally responsible for the proper segregation, handling, temporary storage and transfer of all waste streams to authorized operators and licensed treatment or disposal facilities. Municipal waste generated during construction activities is managed by authorized municipal utility companies in accordance with their statutory responsibilities, while construction and hazardous waste must be handed over exclusively to licensed legal entities. Disposal of any type of waste at unauthorized locations is strictly prohibited, and waste flows must be properly documented and traceable.

These obligations are operationalized through the Environmental and Social Management Plan (ESMP), which defines specific waste management measures to be implemented during works, including site waste management requirements, community waste management, provision of appropriate containers and sanitary facilities, handling of hazardous materials, and monitoring and supervision arrangements. The Investor is responsible for ensuring that waste management requirements are embedded in contractual arrangements and effectively enforced through supervision and control of contractors and subcontractors. In addition, training and awareness-raising activities are carried out to ensure that workers are familiar with applicable legal requirements, procedures and good environmental practices throughout the construction phase.

3.1.3. WATER MANAGEMENT REGULATIONS

The Water Law, together with the overall legislative framework, constitutes an appropriate legal basis for establishing an optimal organization of water management in Montenegro. From the perspective of administrative organization, this system can be observed at the level of central (state) administration and local self-government. At the state level, the Government of Montenegro plays the primary role. Following the Government, the competent line ministry responsible for water affairs is the Ministry of Agriculture and Rural Development (MARD). The performance of operational water management activities, as activities of general public interest, is assigned by the Law to companies, other legal entities, as well as public enterprises and entrepreneurs, in accordance with that Law¹². Approximately 22 local water utilities operate independently, responsible for abstraction, treatment, water supply, billing, and maintenance.

3.1.4. AIR PROTECTION REGULATIONS

Law on Air Protection ("Official Gazette of Montenegro", No. 025/10 of 05.05.2010, 040/11 of 08.08.2011, 043/15 of 31.07.2015, 073/19 of 27.12.2019) regulates the method of monitoring air quality, protection measures, assessment and improvement of air quality, as well as planning and management of air quality. Air quality monitoring and assessment prescribes the establishment of a network of stations for continuous and periodic air quality monitoring, including the measurement of PM2.5, PM10, NO₂, SO₂, CO, O₃ and ultrafine particles, and the Environmental Protection Agency is responsible for collecting, processing and verifying data and regularly reporting to the public, local governments and the European Commission in accordance with EU technical standards and requirements. In the event of exceeding the limit values of pollutants, the competent authorities are obliged to develop and implement air quality plans and emission reduction programs that include measures for industry, transport, energy, agriculture and domestic sources, in accordance with the

¹² Water Management Strategy of Montenegro, MARD 2017.

principles of integrated air quality management and the requirements of EU Directive 2024/2881. The law prescribes the issuance of emission permits and the definition of maximum emission limit values for all significant sources of pollution, including thermal power plants, industrial plants, production facilities and traffic flows, with emission permits containing technical conditions, monitoring obligations and criteria for emission control in accordance with EU standards.

3.1.5. NOISE REGULATIONS

Law On Protection Against Noise in the Environment ("Official Gazette of Montenegro", No. 028/11 of 10.06.2011, 001/14 of 09.01.2014, 002/18 of 10.01.2018) establishes measures for the prevention or reduction of the harmful impact of noise in the environment and other issues of importance for the protection of the environment and human health from the impact of noise. This Law applies to noise in the environment, especially in built-up areas, city parks and other quiet zones in agglomerations, quiet zones in nature, near schools, hospitals and other facilities, in which the population, and especially sensitive groups (children, the elderly, the sick, etc.) are exposed to the harmful impact of noise.

The competent body of the local administration is obliged to carry out acoustic zoning. Noise indicators are used to determine the level of noise in the environment, to assess and predict the level of noise and its impact on the environment, to create strategic noise maps and to plan noise protection measures. Monitoring of the noise level in the environment is carried out on the basis of the annual noise monitoring program adopted by the Government of Montenegro on the proposal of the Agency for Environment Protection.

3.1.6. CONSTRUCTION REGULATIONS

In 2017, a new *Law on Spatial Planning and Construction*¹³ was passed. The Law requires urban-technical conditions instead of a construction permit. Also, instead of a use permit, the Law envisages the merging of technical inspection and professional supervision, which relieves the system of double controls. A construction permit and use permit are only needed for complex engineering facilities. The Law requires from contractors to have a specific set of documents on construction sites, including a Construction Site Organization Plan.

3.1.7. REGULATIONS ON WORKING CONDITIONS

In Montenegro, labor legislation and safety at work are regulated by the following regulations:

TABLE 5 LABOR LEGISLATION IN MONTENEGRO

Montenegro	
Labor Law¹⁴	Regulates the rights and obligations of employees under employment contracts, the manner and procedure of their realization, the promotion of employment and the facilitation of flexibility in the labor market, conclusion of employment contract, working hours, salary, work contract termination, right and obligations under employment contracts and collective bargaining. The Law, inter alia, treats working hours, breaks and leave, general protection of workers, salaries, allowances and other receipts.
Law on Occupational Health and Safety¹⁵	Regulates measures to encourage improvements of occupational safety and health, measures related to working conditions and measures related to special protection of workers, rights, obligations and responsibilities of organization, employer and worker, records, inspection surveillance and penalty provisions.

The key provisions of the **Labor Law** in Montenegro are the following ones:

- **Employment contracts** can be concluded as **open ended or fix-term**, part-time, for temporary and occasional work, for performing work under special conditions as well as for work outside of employer's premises (home office).

¹³Official Gazette of Montenegro No. 064/17, 044/18, 063/18

¹⁴ Official Gazette of Montenegro, No. 074/19

¹⁵Official Gazette of Montenegro, No. 34/14, 44/18

- The Law **prohibits discrimination** in terms of employment requirements and selection of candidates, education, training and professional development, promotion and employment contract termination. Pregnancy and maternity leave cannot be a reason not to hire a woman or because of pregnancy, childbirth or breastfeeding offer her the employment contract with unfavorable conditions.
- The Law prohibits mobbing, harassment and sexual harassment at work and in connection with work.
- The Law prescribes the **minimum employment age** of 18 for concluding an employment contract, with exception of allowing persons between 15 and 18, with the consent of their legal custodians and based on a medical certificate issued by health facility, and provided that the given job does not endanger the minor's health, moral and education.
- **Employers are required** to register workers for pension and disability, health and unemployment insurance. After registration provide the worker with a copy of the registration within 5 days from the day issued by the competent authority.
- **Workers are entitled** to a salary and salary compensation during absence from work, as well as to working conditions which ensure safety and protection of their life and health at work. The annual holiday entitlement cannot be replaced by monetary compensation.
- **Full time work** is, as a rule, 40 hours a week. **Overtime** work is allowed in Montenegro in the duration of maximum 10 hours a week.
- Workers are entitled to an **increased** salary for overtime, night work and work during holidays.
- The Law defines in detail **breaks** from work to which workers are entitled (breaks during working hours, daily, weekly and annual leave).
- The Law envisages **that** a worker who believes that the employer violated any of his/her employment-related rights can **request from the employer to provide him/her with such right**. The employer is obliged to respond to such request within 15 days. The Law envisages a mechanism of **amicable dispute resolution** (by the Agency for the Amicable Labor Dispute Resolution) as well as **lodging court suits**.

Key provisions of the **legislation on occupational health and safety** (OHS) in Montenegro are the following ones:

- Employers are obliged to ensure protective measures by preventing, eliminating and controlling work related risks and organizing training for workers,
- Employers are required to implement safety measures and select work and production methods that will ensure improved or higher levels of OHS,
- While assigning an employee to a position with special working conditions or with increased risk, the employer is required to take into account the employees' abilities, which may affect their protection and health.
- Employers are obliged to provide employees with training for safe work at the time of employing a new employee, assigning him/her to another position, introducing new technology, introducing new or replacing work equipment, making changes in work processes and re-assigning him/her to work after absence of more than one year.
- Workers must be provided with a working environment, assets for work and personal protection equipment that do not endanger the safety or health of workers and other persons,
- Workers must use personal protection equipment and comply with other instructions related to safety at work.

Although the law provides for OHS representatives and OHS boards and allows employees and their representatives to give suggestions and information, initiate measures and demand inspection, the Law does not require a balanced representation of women on OHS committees to help design policies responding to the needs of female project workers. Regarding occupational health and safety trainings employers are obliged to train employees in safe work in accordance with the law. The cost of trainings is covered by the employers. The trainings should be organized during working hours if they are related

to OHS or upskilling; however, there is no requirement for employers to keep training records. Neither the Labor Law nor the Law on Safety at Work addresses contractors OHS responsibility. However, employers are under the obligation to ensure that the planning and introduction of new technologies is the subject of consultations with the employees or their representatives in charge of health and safety at work (hereinafter referred to as the employees' representatives) about the choice of work equipment, the working conditions, the working environment and their implications for health and safety at work. Finally, in the event of a serious and imminent threat to life and health, employees may take appropriate measures in accordance with their knowledge and technical means at their disposal. In case of an unavoidable danger, they are entitled to leave the dangerous workplace, work processes or work environment and will not be held liable for any damage that may occur, unless they had acted in a careless or negligent way. Prohibition of retaliation is not explicitly mentioned either in the LL or in the OHS.

3.1.8. LAW ON RAILWAYS

Pursuant to Articles 23–26 of the Law on Railways of Montenegro (“Official Gazette of Montenegro”, No. 089/25), works on railway infrastructure, including works at railway level crossings, may take the form of reconstruction or renewal of existing infrastructure. Reconstruction refers to works carried out on existing railway infrastructure or its elements in order to eliminate deficiencies that may affect the stability and safety of the railway system, improve technical and operational parameters, modify basic characteristics of the railway alignment within its primary corridor, or ensure unimpeded access for persons with reduced mobility and persons with disabilities (Article 23). Renewal of railway infrastructure comprises works that improve the reliability, efficiency and safety of railway operations without changing the function or spatial position of the existing infrastructure, and such works are carried out on existing railway land and within the regulatory boundaries of railway lines, including works on track components, signalling and safety systems, telecommunications, electrical and energy systems, structures, stations and railway level crossings (Article 26).

In accordance with Article 24 of the Law, the infrastructure manager is required to publicly announce the commencement of construction, reconstruction or renewal works at least 30 days in advance, either through daily newspapers or on its official website, in order to enable coordination with companies, legal entities and entrepreneurs responsible for installations and public networks located within the railway area, such as pipelines, water supply systems, electricity, telecommunication and underground or overhead lines. Prior to the commencement of works, the infrastructure manager and the owners or operators of such installations must regulate their mutual rights and obligations through an agreement, while the owners or operators are obliged, at their own expense and within the timeframe specified by the infrastructure manager, to relocate or adapt their installations to the requirements of the planned works. Should these obligations not be fulfilled, the infrastructure manager is entitled to undertake the necessary actions at the expense of the responsible entities, while also maintaining official records of all installations located within the railway area, including in cases where railway infrastructure is reconstructed or renewed due to the construction of other infrastructure facilities, in which case the related costs are borne by the investor of the facility concerned, unless otherwise agreed (Articles 24 and 25).

3.1.8.1. Rail Level Crossing Regulatory Framework

In Montenegro, the Law on Railways regulates the RLC through specific provisions related to management, maintenance and reconstruction of RLCs defined in Article 39 to Article 47 of this law. Apart from the provisions related directly to RLCs, the law defines provisions which generally define infrastructure improvement activities and responsibilities in this context. In accordance with the Law on Railways of Montenegro, railway level crossings (RLCs) may be replaced by grade-separated crossings (underpasses or overpasses) or eliminated altogether where this is required due to changes in road routing, traffic safety considerations or operational requirements of the railway system. Such interventions must be designed and implemented in compliance with applicable technical standards,

ensuring safe, uninterrupted and coordinated railway and road traffic. Where modifications to railway or road infrastructure are required, the allocation of costs is determined by the predominant transport interest giving rise to the change: costs are borne by the railway infrastructure manager where the change results primarily from railway traffic needs, and by the road manager where the change results primarily from road traffic needs. In the case of an unclassified road predominantly used by a specific legal or natural person, that entity bears the full cost of changes to both the railway infrastructure and the road.

The Law further establishes a clear division of responsibilities for the maintenance of railway level crossings and for ensuring safe and unobstructed traffic. The railway infrastructure manager is responsible for the maintenance of the track and other railway infrastructure elements at the crossing, including signaling equipment and signs intended for train crews, as well as railway communication lines associated with the crossing. The road manager is responsible for maintaining the road surface at the railway crossing and road traffic signs warning road users of the crossing. Maintenance of active protection systems for road traffic, including devices for warning drivers of approaching trains and equipment used to close road traffic at railway level crossings, is a shared responsibility of the railway infrastructure manager and the road manager, who bear these costs in equal parts. This allocation of responsibilities applies throughout the planning, construction and operational phases and must be reflected in project design, contractual arrangements and implementation measures.

3.2. INSTITUTIONAL STRUCTURE

Project operational structure is complex, since there is large number of parties participating in the Project implementation. The Ministry of Transport (MoT) of Montenegro is responsible for the management and supervision of the project. Project operational structure include World Bank – International Bank for Reconstruction and Development (IBRD), Ministry of Transport (MoT), Ministry of Finance (MoF), Technical Services Unit (TSU), Project Steering Committee (PStC), Project Coordinator (PC), Project Implementation Unit (PIU), Focal Points (FP), Ministry of Interior (MoI), Ministry of Maritime Affairs (MoMA), Port Authority of Bar, Railway Infrastructure of Montenegro (RIoM), Stakeholder municipalities, and Contractor(s) for works and goods/Consultant(s) for services. An overview of institutions of Montenegro and their responsibilities for environmental protection and institutions relevant for this Project is provided in Table 7.

TABLE 6 INSTITUTIONS OF MONTENEGRO RELEVANT FOR THE PROJECT

Institution	Responsibilities
Ministry of Ecology, Sustainable Development and Northern Region Development	Responsible for: • policymaking for urban planning, construction, environment and sustainable development • implementation of sustainable development programs and projects, • provision of technical, organizational and administrative support to the National Council for Sustainable Development and Climate Change, • spatial and environmental strategic planning, system of integrated environmental protection and sustainable utilization of natural resources, integrated pollution prevention and control, • organization of communal services, including water supply and sewerage, and wastewater treatment, • developing environmental protection standards, monitoring environmental conditions, • cooperation with international financial institutions and EU funds in environmental protection and utility services projects, • cooperation with NGOs, harmonization of regulations with EU <i>acquis</i>, • issuing construction permits.

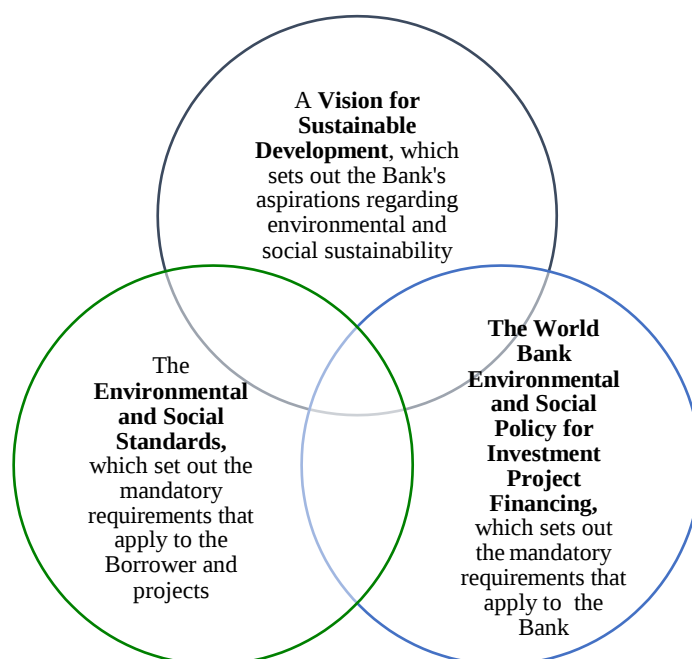
Institution	Responsibilities
Environmental Protection Agency¹⁶	Responsible for: • implementation of strategies, programs, laws and regulations in the field of environment, • implementation of international treaties within its jurisdiction, • monitoring the state of the environment and nature conservation, • collecting and updating data on the quality of all segments of the environment, including waters and reporting to national and European institutions, • EIA process and issuance of environmental permits.
Ministry of Interior (through the Emergency Directorate)	Responsible for: • establishing programs for equipping and developing protection and rescue systems, • providing guidance on protection and rescue management and proposing measures to protection and rescue participants, • collecting information on threats, causes and consequences of emergencies, • providing assistance in emergency response, • emergency management according to the Flood Directive 2007/60/EC.
Institute for Public Health (Ministry of Health)	Performs physical and chemical analyzes of water and microbiological testing of drinking water, and is responsible for controlling and monitoring the safety of drinking water.
Ministry of Transport	Responsible for transport (road, rail, air) in Montenegro.
Ministry of Maritime Affairs	Responsible for maritime affairs in Montenegro: ☐ regulating maritime transport, port policy, and safety in Montenegro. Drafting maritime laws and policies, ☐ evaluating investment projects ☐ supervising maritime transport and port operations. The Ministry operates through specialized directorates, including: ☐ Directorate for Maritime Safety, which oversees navigation safety and pollution prevention; and ☐ Directorate for Maritime Economy, which develops policies and strategic frameworks for port management and economic development.
Institute for Hydrometeorology and Seismology	Responsible for monitoring the quality and quantity of surface and groundwater, flood forecasting and monitoring of the hydrological situation, giving warnings to institutions responsible for managing flood risks.
Port Authority of Bar	Conducting of activities relevant for implementation of specific Project activity; Cooperation with the relevant stakeholders.
Railway Infrastructure of Montenegro (RIoM)	Conducting of activities relevant for implementation of specific Project activity; Cooperation with the relevant stakeholders.
Ministry of Finance	Coordination and collaboration with MoT and the PIU on Project implementation Fiduciary support to the Project (financial management and procurement) Ensuring that Project implementation is in line with the LA
Stakeholder municipalities	Conducting of activities relevant for implementation of specific Project activity on their territory; Cooperation with the relevant stakeholders.

¹⁶Established in 2008 by the Regulation on the Amendments of the Regulation on the Organization and Operation of Public Administration (Official Gazette of MNE, No. 68/08) and operational since 2009

3.3. THE WORLD BANK REQUIREMENTS

3.3.1. THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (2016)

WB's Environmental and Social Framework (2016) ¹⁷ became effective in October 2018. The Framework sets out the Bank's commitment to sustainable development, through a Bank Policy and a set of Environmental and Social Standards that are designed to support Borrowers' projects, with the aim of ending extreme poverty and promoting shared prosperity. The Bank's Framework consists of three parts:



RISK CLASSIFICATION

The Bank classifies all projects into one of four classifications:

- High risk
- Substantial risk
- Moderate risk
- Low risk.

In determining appropriate risk classification, the Bank takes into account relevant issues such as:

- Type, location, sensitivity and scale of the project,
- Nature and magnitude of potential environmental and social risks and impacts,
- The capacity and commitment of the Borrower (including any other entity responsible for the implementation of the project) to manage the E&S risks and impacts in a manner consistent with the ESSs.

Other areas of risk may also be relevant to the delivery of E&S mitigation measures and outcomes, depending on the specific project and the context in which it is being developed. These could include legal and institutional considerations; the nature of the mitigation and technology being proposed; governance structures and legislation; and considerations relating to stability, conflict or security.

PROJECTS INVOLVING MULTIPLE SMALL SUBPROJECTS

¹⁷ Available in English at: <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf>

For projects involving multiple small subprojects, that are identified, prepared and implemented during the course of the project, the Bank will review the adequacy of national E&S requirements relevant to the subprojects, and assess the capacity of the Borrower to manage the E&S risks and impacts of subprojects. When necessary, the project will include measures to strengthen the capacity of the Borrower.

The Borrower is required to carry out appropriate E&S assessment of subprojects, and prepare and implement such subprojects, as follows:

- (a) High risk subprojects, in accordance with ESSs;
- (b) Substantial, moderate and low risk subprojects, in accordance with national law and any requirement of the ESSs that the Bank deems relevant for such subprojects.

3.3.2. WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS

The Bank is committed to supporting Borrowers in the development and implementation of projects that are environmentally and socially sustainable, and to enhancing the capacity of Borrowers E&S frameworks to assess and manage the E&S risks and impacts of projects. To this end, the Bank has defined specific ESSs, which are designed to avoid, minimize, reduce or mitigate the adverse E&S risks and impacts of projects. The projects supported by the Bank must comply with the following ESSs:

Environmental & Social Standard 1	• Assessment and Management of Environmental and Social Risks and Impacts
Environmental & Social Standard 2	• Labor and Working Conditions
Environmental & Social Standard 3	• Resource Efficiency and Pollution Prevention and Management
Environmental & Social Standard 4	• Community Health and Safety
Environmental & Social Standard 5	• Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
Environmental & Social Standard 6	• Biodiversity Conservation and Sustainable Management of Living Natural Resources
Environmental & Social Standard 7	• Indigenous Peoples
Environmental & Social Standard 8	• Cultural Heritage
Environmental & Social Standard 9	• Financial Intermediaries
Environmental & Social Standard 10	• Stakeholder and Information Disclosure

These ESSs are accompanied by non-binding Guidelines, Best Practice Notes, Templates and Checklists¹⁸. A short overview of the Standards is presented below.

¹⁸ Available in English at: <http://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-framework-resources#guidancenotes>



Environmental and Social Standard 1

– Assessment and Management of E&S Risks and Impacts is applied to all projects supported by the Bank through Investment Project Financing. The objective is to identify, evaluate and manage E&S risks and impacts associated with each stage of project, in order to achieve E&S outcomes consistent with Bank requirements.

ESS1 is also applied to all Associated Facilities/Activities which must meet ESSs requirements to the extent that the Borrower has control or influence over such Associated Facilities/Activities.¹⁹

Within ESS1, the Borrower is obliged to:

- Conduct an E&S assessment of the propose project, including stakeholder engagement,
- Undertake stakeholder engagement and disclose appropriate information in accordance with ESS10,
- Develop an Environmental and Social Commitment Plan (ESCP) and implement all measures and actions set out in the legal agreement including the ESCP,
- Conduct monitoring and reporting on the environmental and social performance of the project against the ESSs.

The environmental and social assessment will be proportionate to the risks and impacts of the project and will assess in an integrated way all relevant direct, indirect and cumulative E&S risks and impacts throughout project life cycle, including those specifically identified in the ESS2-10. The E&S assessment process shall apply mitigation hierarchy according to which: (a) risks and adverse impacts needs to be anticipated and to the extent possible avoided, while positive impacts and benefits for the community and physical environment need to be maximized, (b) where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels; (c) residual adverse impacts and risks need to be removed or mitigated to the acceptable level; (d) where significant residual impacts remain, compensate where technically and financially feasible.

For projects which involve a set of subprojects, identified, prepared and implemented during the Project, environmental and social assessment is carried out using the instrument of Environmental and Social Management Framework (ESMF). The ESMF sets out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts of any future subprojects.



Environmental and Social Standard 2

– Labor and Working Conditions

This standard guide the creation of sound worker-management relationships. The primary

¹⁹ The term “Associated Facilities” means facilities or activities that are not funded as part of the project and are: (a) directly and significantly related to the project; (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist. For a facility or an activity to be defines as associated facility, all three criteria must be fulfilled.

regulates working conditions, and scope of its application depends on type of employment relations between the Borrower and project workers.	labor risk is the risk of informal work. The risks of unpaid and underpaid work, work overload, poor terms and conditions of engagement, lack of occupational health and safety measures, and denied access to social security, pension or health insurance are associated with informal work. The term “project worker” is related to: - people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); - people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers); - people employed or engaged by the Borrower’s primary suppliers (primary supply workers); and - people employed or engaged in providing community labor (community workers). ESS2 objectives are: - To promote safety and health at work - To promote the fair treatment, nondiscrimination and equal opportunity of project workers. - To protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers. - To prevent the use of all forms of forced labor and child labor - To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law. - To provide project workers with accessible means to raise workplace concerns.
 Environmental and Social Standard 3 - Resource Efficiency and Pollution Prevention and Management sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life cycle consistent with Good International Industrial Practice. Applicability of this EES is established during environmental and social assessment.	The Borrower shall be obliged to apply technically and financially feasible measures to improve efficient consumption of energy, water and raw material, as well as other resources. Such measures shall integrate cleaner production principles into the product design and production processes in order to conserve raw material, energy, water and other resources.

	Besides, the Borrower will avoid the release of pollutants or, when avoidance is not feasible, minimize and control the concentration and mass flow of their release using the performance levels and measures specified in national law or the World Bank Group Environmental, Health and Safety Guidelines²⁰, whichever is most stringent. This applies to the release of pollutants to air, water and land due to routine, non-routine, and accidental circumstances, and with the potential for local, regional, and transboundary impacts. Pollution prevention and management include management of: 1. Air pollution 2. Hazardous and non-hazardous waste 3. Chemicals and hazardous material 4. Pesticides
 Environmental and Social Standard 4 – Community Health and Safety address the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of Borrowers to avoid or minimize such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.	The objectives of ESS4 are the following: ■ To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and non-routine circumstances. ■ To promote quality and safety, and considerations relating to climate change, in the design and construction of infrastructure, including dams. ■ To avoid or minimize community exposure to project-related traffic and road safety risks, dis-eases and hazardous materials. ■ To have in place effective measures to address emergency events. ■ To ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities.
 Environmental and Social Standard 5 – Land Acquisition, Restriction on Land Use and Involuntarily Resettlement is applicable to this project.	A Resettlement Policy Framework has been developed and any subproject involving land acquisition and involuntary resettlement, regardless of whether physical relocation is present, will develop a Resettlement Plan as per the RPF and this will be approved by the World Bank and disclosed in-country. The screening

²⁰ World Bank Group Environmental, Health and Safety Guidelines (EHSG), available at: https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/EHS-Guidelines/

	process will screen for all the subprojects which may involve involuntary land acquisition.
 Environmental and Social Standard 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources is applicable to all projects that potentially affect biodiversity or habitats, either positively or negatively, directly or indirectly, or that depend upon biodiversity for their success. It is also applied to projects that involve primary production and/or harvesting of living natural resources²¹.	The Borrower is obliged to avoid adverse impacts on biodiversity and habitats. When avoidance of adverse impacts is not possible, the Borrower will implement measures to minimize adverse impacts and restore biodiversity in accordance with the mitigation hierarchy provided in ESS1 and with the requirements of this ESS. Where significant risks and adverse impacts on biodiversity have been identified, the Borrower will develop and implement a Biodiversity Management Plan.
 Environmental and Social Standard 7 – Indigenous Peoples is not applicable to this Project given the fact that in Montenegro, there are no any social or cultural groups of specific characteristics defined in ESS7.	is not applicable to this Project given the fact that in Montenegro, there are no any social or cultural groups of specific characteristics defined in ESS7.
 Environmental and Social Standard 8 – Cultural Heritage sets out general provisions on risks and impacts to cultural heritage from project activities. Objective of ESS 8 are the following:	Objective of ESS 8 are the following: ▪ To promote the equitable sharing of benefits from the use of cultural heritage. ▪ To address cultural heritage as an integral aspect of sustainable development. ▪ To promote meaningful consultation with stakeholders regarding cultural heritage. ▪ To protect cultural heritage from the adverse impacts of project activities and support its preservation. The requirements of ESS8 will apply to all projects that are likely to have risks or impacts on cultural heritage. This will include a project which: a) Involves excavations, demolition, movement of earth, flooding or other changes in the physical environment; b) Is located within a legally protected area or a legally defined buffer zone c) Is located in, or in the vicinity of, a recognized cultural heritage site

²¹ Harvesting of living natural resources, such as fish and all other types of aquatic and terrestrial organisms and timber, refers to productive activities that include extraction of these resources from natural and modified ecosystems and habitats.

	d) Is specifically designed to support the conservation, management and use of cultural heritage.
 Environmental and Social Standard 9 – Financial Intermediaries	
 Environmental and Social Standard 10 – Stakeholder Engagement and Information Disclosure recognize the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.	ESS10 objectives are the following: ▪ To establish a systematic approach for stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties ▪ To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance. ▪ To promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them ▪ To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format. ▪ To provide project-affected parties with accessible and inclusive means to raise issues and grievances, and allow Borrowers to respond to and manage such grievances.

4. COUNTRY BASELINE DATA

4.1. BASIC INFORMATION ABOUT THE COUNTRY

Official name:	Montenegro
Abbreviation:	MNE
Capital:	Podgorica
Major municipalities:	Niksic, Bar, Budva, Bijelo Polje, Herceg Novi
Other major cities or towns in the project area:	Podgorica, Danilovgrad, Niksic, Bar, Zeta
Area:	13,812 km ²
Geographical position:	MNE borders Croatia, BiH, Serbia, Kosovo, Albania and the Adriatic Sea  <i>Figure 2: Geographical map of Montenegro</i>
Population:	623,633 (Census 2023, MONSTAT)
Languages:	Official language: Montenegrin Other languages used: Serbian, Bosnian, Albanian, Croatian
Government structure:	MNE is an independent parliamentary republic. The Government is the executive branch, and the Parliament is the legislative body.
Main industries	Tourism, Energy, Transport and logistics, Agriculture, Manufacturing, Construction and Services
Nominal GDP:	7,650,000,000 EUR (2024, MONSTAT)
Nominal GDP per capita:	12,260 EUR (2024, MONSTAT)
GDP growth in 2024:	3.2% in comparison with 2023 (2024, MONSTAT)
EU status:	MNE has an EU candidate status. In 2026 it is the most advanced EU candidate country in the Western Balkans while 33 negotiating chapters have been opened, of which 14 have been provisionally closed. Montenegro has entered the final phase of accession negotiations.

4.2. ENVIRONMENTAL CHARACTERISTICS OF MONTENEGRO AND THE PROJECT AREA

4.2.1. GEOGRAPHIC, TOPOGRAPHIC AND GEOLOGICAL CHARACTERIZATION

General characteristics

Montenegro is South East Europe (SEE), Western Balkan Country divided between coastal Adriatic belt (part of Mediterranean and sub-Mediterranean region) and predominantly mountainous karst inland. The inland area takes 13,812km² and controls 2,440km² of national sea waters, with 235km stretch of coast. Montenegro borders include those to Serbia, Kosovo, Albania, Croatia and Italy (the last only through international waters). The capital city is Podgorica while larger settlements include Niksic, Pljevlja, Herceg Novi, Bijelo Polje, Budva, Bar and Cetinje. These 8 towns encompass approximately 70% of the total population. Montenegro counts population of 623,633 (Census 2023, MONSTAT). Thanks to its specific geopolitical placement and unique mixture of landscapes, climate, and hydrogeological features Montenegro is rich with cultural, historical and natural heritage. Biological diversity of Montenegro is rich and highly unique creating a biological “hotspot” of Europe. Protected natural areas include internationally recognized areas, two Ramsar sites (Special reserve for flora and fauna Tivatska solila and Skadar lake) and two UNESCO sites (National Park Durmitor and Kotorско-Risanski Bay). For the reason of geographical sitting and geomorphology, Montenegro surface and underground waters belong to the Black Sea and Adriatic river basins, as such can be classified as predominantly international. The waters of the Black Sea basin are Drina, Piva, Tara, Čehotina, Lim and Ibar, and the Adriatic basin is supplied by the Morača, Zeta and Bojana river basins. Bojana flows into Skadar Lake, shared with Albania. Due to the predominantly limestone composition of the rock mass, abysses, springs, pits, etc. are common.

Project Area (PA) characteristics

The Project Area (PA) covers the municipalities of Podgorica, Nikšić, Danilovgrad, Zeta with its settlements along the railway route and municipality Bar. These municipalities together represent one of the most economically and demographically significant regions of Montenegro.

- Municipality Podgorica, as the capital and largest urban center, represents the administrative, economic and transport hub of Montenegro, with a high concentration of population, services, and infrastructure.
- The Municipality of Zeta, recently established as an independent administrative unit within the Podgorica metropolitan area, represents a predominantly lowland and rural area with strong agricultural characteristics. It has strategic position along key transport routes connecting Podgorica with the coastal region. The area is also influenced by its proximity to major infrastructure, including the Podgorica–Bar transport corridor and the vicinity of Podgorica Airport.
- Municipality Nikšić, the second largest municipality, has a strong industrial tradition and serves as an important regional center in the central-northern part of the country.
- Municipality Danilovgrad is located between municipalities Podgorica and Nikšić along the Zeta River valley and is characterized by a mix of rural and peri-urban settlements, with agriculture as a key economic activity within the area.
- Municipality Bar is situated on the Adriatic coast, is a key maritime and logistics hub with the Port of Bar, representing main seaport and serving as a gateway for international trade and transport.

These municipalities are interconnected through major transport corridors, including the Bar–Podgorica–Nikšić railway and road network, which are of strategic importance for national and regional mobility.

4.2.2. CLIMATE

The Durmitor Mountain, which is located at the source between Piva River and Tara River, is the point of contact of Mediterranean and Continental climate. The Piva River basin on the southern and western sides of the Durmitor Mountain is under the influence of Mediterranean climate, while its northern and eastern sides belonging to the Tara River basin are under the influence of continental climate.

The orientation and altitude on other high mountains also determines the climate features²². Commonly, the river valleys are characterized by temperate continental climate, at the altitudes of up to 1,200 m. the climate is sub-mountainous, and above 1,200 m. the climate is mountainous. Medium-height mountains in the upper and middle segment of the river basin receive significantly less rainfall than the others. More rainfall is present in May, June and July, and the least rainfall is present in January and February, with precipitation mainly occurring in the form of snow. Ravines surrounded by mountains on all sides are characterized by specific climate. In summer, the temperature is higher than the temperature on the surrounding mountains, spring starts earlier, autumn is warmer, and annual rainfall is lower.

Climate in Montenegro is highly heterogeneous and is reflecting strong interactions between Mediterranean, continental, and mountainous climatic influences. The municipalities of Bar, Podgorica, Zeta, Nikšić, and Danilovgrad illustrate this diversity, with distinct temperature regimes and exposure to climate variability driven by altitude, proximity to the Adriatic Sea, and geomorphological characteristics.

Municipality Bar is located on the Adriatic coast and is characterized by a Mediterranean climate, with mild, humid winters and hot, dry summers. Average annual temperatures range between approximately 16 and 18°C, with winter temperatures in January around 8–10°C and summer temperatures in July and August with 27–29°C in average.

Capital Podgorica and municipality Zeta are situated in the central lowlands with a humid subtropical climate with strong continental influences. The average annual temperature is approximately 16.4°C, with winter temperatures around 5°C in January and summer averages of 26–27°C in July. However, extreme temperatures frequently exceed 40°C during summer months.

Municipality Danilovgrad is located in the Zeta River valley and has humid subtropical climate, similar to municipalities Podgorica and Zeta but under rural and agricultural influences. The average annual temperature ranges between 14 and 15°C, with winter temperatures typically between 2 and 5°C and summer temperatures frequently exceeding 30°C, with recorded extremes above 40°C. The municipality experiences strong seasonal contrasts, including hot, dry summers and moderate winters.

Municipality Nikšić is located at a higher elevation on a karst plateau with a climate with both continental and mountainous characteristics. The average annual temperature is significantly lower, around 9.5 to 10°C, with January temperatures near 1–2°C and summer temperatures in July averaging around 20–21°C. Compared to the lowland municipalities, Nikšić has colder winters, milder summers, and higher precipitation levels, often exceeding 2,000 mm annually.

4.2.2.1. Climate change²³

Montenegro is a small, predominantly mountainous country with high climate variability and frequent extreme weather events. Numerous parts of the country show high exposure to floods, earthquakes, and landslides. In addition, 60 percent of its population reside in areas with a high probability of magnitude 8 or greater earthquakes on the Richter scale. Between 1991 and 2013, Montenegro had six devastating floods. Because of climate change, heat stressors are also rapidly intensifying: droughts, wildfires, and

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²³ WB6, Montenegro Country Compendium, Country Climate and Development Report, October 2024; WB Group

heatwaves are already affecting an increasing number of people and sectors of the economy. Weather- and climate-related disasters have already generated significant physical and economic losses in Montenegro, especially in major sectors such as agriculture and transport. The 2010 flood affected some 30,000 hectares of agricultural land, with losses of about €44 million. If no investments are made to adapt to the changing climate, natural hazards could lead to up to a 7.9 percent reduction in GDP, depending on the climate change scenario.

Montenegro has been decoupling its growth from emissions since 1990, with the carbon sink effect of the Land Use, Land-Use Change and Forestry (LULUCF) sector, and the closure or shrinking of several major industries, playing major roles in reducing emissions. Total greenhouse gas (GHG) emissions have declined since 1990. Montenegro emits less GHG than any other WB6 country. The biggest emissions sectors are electricity and heating (40 percent of total emissions without LULUCF), transport (21 percent), and agriculture (10 percent). Since forests cover nearly 62 percent of the country, LULUCF is the most important component of Montenegro's GHG emissions profile,

Montenegro would need to invest to protect people and property from the damaging and escalating impacts of climate change. The investments would be intended in enhancing urban adaptation implementing both structural measures including green infrastructure, water system, urban structures, and building designs and nonstructural measures such as regulations and awareness raising campaigns. Moreover, investing in nature-based solutions (NBS) promotes adaptation while yielding substantial co-benefits for the ecosystem and local communities. Also, Montenegro would need to invest in the energy system, especially power sector and would be directed mostly toward the scale-up of solar PV and wind capacity. The next major investment will be in transforming the transport sector, with significant investment needed in rail infrastructure.

Montenegro can use the climate change adaptation and mitigation measures as opportunities to achieve a more sustainable growth model with higher productivity.

Montenegro's climate change commitments are primarily driven by its obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and its orientation toward the EU. In June 2021, under the UNFCCC's Paris Agreement, Montenegro submitted an enhanced Nationally Determined Contribution (NDC), listing 18 mitigation policies and measures, 14 of which are related to the energy sector (including transport), followed by industry (2) and waste (2). Because of the country's ambitions for accession to the EU, it aims to align with the European Green Deal and contribute to achieving the target of Europe becoming the first climate-neutral continent by 2050. This was affirmed by becoming a signatory to the Sofia Declaration on the Green Agenda for the Western Balkans (2020).

Municipality Bar is increasingly exposed to climate-related stressors such as drought, heatwaves, and seasonal water scarcity. Regional climate projections indicate that coastal areas of Montenegro will experience further increases in temperature and a decline in summer precipitation, intensifying existing vulnerabilities (IPCC, 2021; World Bank, 2021).

Municipality Podgorica is facing intensive urbanization while increasing thermal stress and energy demand for cooling. Municipality Podgorica is also subject to seasonal droughts and occasional flooding linked to the Morača and Zeta river systems. Observed warming trends and projected increases in the frequency and intensity of heatwaves are consistent with broader regional climate projections for the Western Balkans (EEA, 2022; IPCC, 2021). Municipality Zeta with its economy, which is mainly based on agriculture, is particularly vulnerable to climate variability, including droughts, heat stress, and river flooding. Climate projections indicate increased evapotranspiration and reduced water availability during summer months, which is posing risks to agricultural productivity and water management systems (World Bank, 2021; EEA, 2022). The karst terrain in municipality Niksic

contributes to hydrological variability, including alternating periods of drought and sudden flooding in karst fields.

All abovementioned municipalities that are significant for the Project are facing trends and future projections point toward continued warming, increased frequency of extreme weather events, and heightened climate risks. These findings are consistent with regional assessments for the Western Balkans and underscore the importance of integrating climate considerations into local planning and development processes (IPCC, 2021; EEA, 2022; World Bank, 2021).

4.2.3. WATER SUPPLY

At the national level, Montenegro is water-abundant, relying primarily on groundwater and karst springs, which account for 87.3% of total abstraction²⁴. However, abundance at source contrasts sharply with operational inefficiency, especially high physical water losses, aging infrastructure, and chronic underinvestment. Total water abstraction in 2024 is showing 7.7% increase comparing with 2023, while distributed water reached 80.76 million m³ in 2024, which represents 29.4% increase comparing with 2023 (Monstat, 2024).

The population is supplied with water in an organized manner through municipal water supply systems and a large number of local community water supply systems, small village, group and individual water supply systems. The supply of water to the urban population can be considered good. Of the total population of Montenegro, over 63% live in urban areas, and public water supply systems cover 99% of the urban population.

Local water sources were used for water supply to the municipalities, and the municipalities of Budva, Kotor, Tivat, Ulcinj and Bar also had access to water from the regional water supply system for the Montenegrin coast. In the municipality of Herceg Novi, in addition to local water sources, water from the Plat system (Croatia) was used. Water is provided from 70 springs, of which the most tapped springs are in the fractured karst aquifer, followed by taps in the compacted aquifer (10), while two water supply systems use water from surface accumulations (Pljevlja and Herceg Novi). The majority of the population, about 92%, is supplied with groundwater: about 77% from fractured karst aquifers, and about 15% from compacted aquifers. Only 8% of the population is supplied with water from surface reservoirs.

Drinking water protection, or rather, the implementation of protection measures within sanitary protection zones, is difficult at all sources in karst and alluvium, especially where water supply sources are near larger cities, because they are threatened by the process of urbanization, industrialization, agriculture, unregulated waste disposal sites and wastewater. In addition to water disinfection carried out at all sources of city water supplies, only water taken from surface accumulations (water supplies of Herceg Novi and Pljevlja) and only in one case water taken from karst aquifers (Pljevlja water supply - sources of Zmajevac, Mandovac and Vrela) are specially treated at treatment plants.

Since the quality of underground water sources is compromised by illegal and unprotected discharge of wastewaters in many cases, and the water supply system is undermined by illegal connections from informally built structures. The key issue in protection of population water supply is discharge of waste waters and other substances during construction, and construction of controlled system of drainage and purification of atmospheric waters.

The development of the water supply system (WSS) in the Municipality of Bar dates back to 1929, when the Sustas spring was first captured. As the municipality expanded over time, the WSS evolved both spatially and in capacity through the incorporation of additional water sources. Today, the WSS in Bar is considered one of the most complex systems in the country in terms of its configuration, coverage

²⁴ Monstat, 2024.

area, network extent, number of serviced buildings, and diverse operational modes. The system is spatially oriented along a southeast–northwest axis, with consumers distributed across an elevation range from sea level along the coast up to approximately 200 meters above sea level. The WSS covers an area of approximately 598 km², including the urban area of Bar as well as Sutomore, Stari Bar, Čanj, and Virpazar (located on Lake Skadar). The system is supplied by 11 springs. The primary water supply network comprises more than 188 km of pipelines, while the total network length, including the tertiary distribution system, reaches approximately 475.92 km. Of this, around 42 km are designated as transmission pipelines.

The WSS of Municipality Podgorica is consisted of three independent WSSs: WSS of Podgorica and the villages of Upper Zeta; WSS of the Municipality Tuzi; WSS of Dinosa. In terms of size WSS of Municipality Podgorica and the villages of Upper Zeta is undoubtedly the most significant, covering the largest number of consumers. This WSS provides water to consumers in the Capital City (including suburban settlements), a portion of the municipality of Golubovci, and a portion of Municipality Danilovgrad. Three sources are integral to this water supply system: Mareza, Zagoric, and Cemovsko polje. Other sources are designated for neighbouring settlements and villages. The approximate population served is 280,000. Since all main water supply sources are at elevations lower than settlements, the WSS of Podgorica requires numerous pumping stations of various capacities. The primary pumping stations (PS) are situated at the main sources: Mareza, Zagoric, Cemovsko polje, and Dinosa. The total length of the distribution network is 941 km. Due to the limited reservoir capacity, nearly all of the network depends on pump operation, with only a very small percentage of water flowing into the network by gravity.

The WSS of Danilovgrad is supplied from seven springs: Slatina, Oraška Jama, Zarića Jama, Brajovića Jama, Viški Bunar, Milojevića Vrela–Tunjevo, and Mareza. The system serves approximately 22,000 users, including residents and surrounding areas. Water from these sources is conveyed to pumping stations, from which it is directly distributed into the network. Due to the terrain configuration, the system relies on seven pumping stations: Pazići, Prentina Glavica, Orašje–Zagreda, Đurov Krš, Oselište, Velja Zagreda, and Orja Luka. The distribution system includes eight reservoirs with a total storage capacity of approximately 1,925 m³. Transmission pipelines extend over approximately 16.7 km. The distribution network, with a total length of about 160 km, consists of pipes made from various materials and operates under a combined regime—partly supplied directly via pumping stations and partly through gravity-fed systems supported by reservoirs.

The WSS of Niksic is supplied from two main springs, Gornji and Donji Vidrovan, as well as the Poklonci wellspring. The system serves an estimated population of approximately 60,000. Water from these sources is conveyed to the Duklo pumping station, where it is pumped directly into the distribution network and toward the Trebjesa balancing reservoir. However, due to elevated pressure levels within the system and significant water losses, the pumping station is unable to fully supply and maintain the reservoir. As a result, the Trebjesa reservoir is currently disconnected from the system, and the distribution network operates without effective storage capacity. System pressure is therefore maintained solely by the Duklo pumping station. In addition to the central urban water supply system, two local water supply systems are also of importance: the Nikšićka Župa WSS and the Petrovići WSS, which serve surrounding settlements (COWI, 2024)²⁵.

4.2.4. SEWAGE SYSTEM

Wastewater and atmospheric waters are mainly transported to the nearest recipient through separate sewage systems and the shortest possible route in the majority of settlements in Montenegro. In the coastal region, wastewater is discharged into the Adriatic Sea through long sea outfalls. Some residents have individually resolved the issue of final wastewater disposal by collecting wastewater in mostly

²⁵ Improving the Efficiency of Water Supply by replacing Asbestos-Cement Pipes on the Territory of Montenegro, COWI 2024.

inadequately constructed septic tanks, which contaminates groundwater and surface water. There is a large disparity in the development of the sewage network compared to the water supply network.

The current level of coverage of the population with wastewater collection services varies significantly by municipality, and the overall (average) coverage is around 50%²⁶. However, for the population living in areas designated as agglomerations (500,347 inhabitants), in accordance with the Urban Wastewater Treatment Directive, the coverage rate is around 64%. The length of the existing sewerage network is 1,017.6 km, and the system also includes 19.9 km of pressure pipelines, 67 pumping stations and 19 main outfalls into the sea. The average age of the constructed sewerage network is over 29 years, while the majority of sewage pumping stations (PS) were built between 2008 and 2018, and are generally in good operational condition, with the exception of older pumping stations that are in poor operational condition and require reconstruction. In the coastal region, wastewater is discharged into the sea via outfalls.

When it comes to municipal wastewater treatment, there are currently twelve wastewater treatment plants in operation or on trial operation (Podgorica, Nikšić, Budva, Herceg Novi, Kotor–Tivat, Mojkovac, Žabljak, Šavnik, Pljevlja, Berane, Andrijevica, Petnjica) and several smaller treatment plants (4) that operate intermittently (Virpazar, Rijeka Crnojevića, Jaz, Vranjina). The implementation of contracts for the design and construction of WWTPs in Bijelo Polje, Podgorica, Ulcinj, Rožaje and Kolašin (with a collector system and a sewage sludge treatment system), as well as the reconstruction of WWTPs in Herceg Novi, Kotor–Tivat, Žabljak and Mojkovac, is underway. Some of the plants operate with reduced capacity compared to actual needs (Podgorica), so preparatory activities are underway to build a new WWTP, while some smaller plants are currently not in operation (Rijeka Crnojevića, Jaz), and their servicing and re-commissioning are required.

4.2.5. WASTE MANAGEMENT

During 2024, generated waste in Montenegro was 1 382 551.8 t, out of which 647 975.7 t (46.9%) was in sectors of manufacturing, mining and quarrying, and other industries. Out of the total waste generated during 2024, there are 295 379.7 t of hazardous waste (21.4%) (Monstat).

Waste management in Montenegro remains a critical environmental challenge, characterized by a strong reliance on landfilling, limited waste separation at source, and low recycling rates. Although the country generates approximately 350,000–370,000 tonnes of municipal waste annually, the majority of this waste is still disposed of without prior treatment, reflecting a system that is still in transition toward European Union (EU) standards. Despite gradual improvements, structural challenges persist, including insufficient infrastructure, weak enforcement, and financial constraints at the municipal level.

In recent years, Montenegro has made significant progress in strengthening its policy and legislative framework. The adoption of the new Law on Waste Management in April 2024 represents a major step forward in aligning national practices with EU waste directives. In parallel, Montenegro is advancing its strategic planning framework through the Waste Management Strategy 2030 and the preparation of a new National Waste Management Plan.

Key features of Montenegro's current waste management system is the existence of only two operational sanitary landfills—located in Municipality Podgorica (Livade) and Municipality Bar (Možura). These facilities play a critical role in formal waste disposal and represent a significant improvement compared to the numerous uncontrolled dumpsites that still exist across the country.

²⁶ Water Management Strategy of Montenegro, 2018

The Podgorica sanitary landfill (Livade) is the largest and most advanced waste management facility in Montenegro. It serves not only the capital but also several surrounding municipalities, receiving a substantial share of the country's municipal waste. The facility includes elements of modern infrastructure, such as landfill gas management systems and limited material recovery operations. Nevertheless, the majority of waste received remains unsorted and is ultimately disposed of, highlighting the need for improved upstream waste separation and recycling systems.

The Možura landfill near Bar serves the coastal region (municipalities Ulcinj, Bar, Budva, Kotor and Tivat), which experiences strong seasonal fluctuations in waste generation due to tourism. This landfill is essential for managing waste in one of the most environmentally sensitive and economically important regions of the country. Its establishment marked a transition away from uncontrolled dumping practices that previously contributed to coastal pollution. However, similar to Podgorica, the system remains predominantly disposal-oriented, with limited pre-treatment and recycling capacity.

Montenegro plans to invest 330 million euros over the next three years in closing down existing illegal landfills, transitioning to a circular economy and establishing regional waste disposal centers, with another 200 million in potential costs for infrastructure and equipment. With this plan, the state intends to ensure Montenegro's transition to an environmentally sustainable circular economy by 2029 and ensure effective and efficient waste management, i.e. to minimize waste and increase recycling.

4.2.6. AIR²⁷

The territory of Montenegro is divided in accordance with the Regulation on the Establishment of a Network of Measuring Points for Air Quality Monitoring ("Official Gazette of Montenegro", No. 044/10 of 30.07.2010, 013/11 of 04.03.2011, 064/18 of 04.10.2018), into three air quality zones (Table 4).

TABLE 7: AIR QUALITY ZONES

Air quality zone	Municipalities within the zone
Northern air quality zone	Andrijevica, Berane, Bijelo Polje, Gusinje, Pljevlja, Kolašin, Mojkovac, Petnjica, Plav, Plužine, Rožaje, Šavnik and Žabljak
Central air quality zone	Podgorica, Nikšić, Danilovgrad and Cetinje
Southern air quality zone	Bar, Budva, Kotor, Tivat, Ulcinj and Herceg Novi

The **northern zone** includes municipalities with pronounced pollution problems, especially Pljevlja and Bijelo Polje. During 2024, air quality deteriorated compared to the previous year, especially due to increased concentrations of sulfur dioxide (SO₂) and suspended particles PM₁₀ and PM_{2.5}. In Pljevlja, 95 days with exceedances of daily PM₁₀ particle concentrations were recorded, and in Bijelo Polje as many as 103 days, which significantly exceeds the permitted limit of 35 days per year. Annual mean PM_{2.5} values were also above the permitted limits. In addition, benzo(a)pyrene concentrations were several times above the target value, indicating harmful effects on the health of the population. Air pollution during this period is further aggravated by temperature inversions that prevent the dispersion of pollutants.

The **central zone, consisting of Podgorica, Nikšić, Danilovgrad and Cetinje**, records mixed results. In Nikšić, a slight improvement trend was recorded, while in Podgorica there was a slight deterioration in air quality, especially in urban areas during the winter months. The number of days with PM₁₀ exceedance exceeds the permitted number - at stations in Podgorica and Nikšić. Although the annual average concentrations of PM₁₀ and PM_{2.5} were below the limit values, the concentrations of

²⁷ [REZIME Informacije o stanju životne sredine u Crnoj Gori za 2024. godinu](#)

benzo(a)pyrene are close to or above the prescribed target. Ozone exceeded the target value in Gornji Mrke on four occasions, indicating the need for additional monitoring and analysis of this pollutant.

The southern zone (Bar, Budva, Kotor, Tivat, Ulcinj, Herceg Novi) is characterized by significantly better air quality. All concentrations measured at stations in Bar and Kotor were below the prescribed limit and target values.

The state network for continuous air quality monitoring, which is in the responsibility of the Environmental Protection Agency of Montenegro, consists of nine stationary stations (Table 5).

TABLE 8 AIR QUALITY MEASURING STATIONS IN MONTENEGRO

No	Measuring site	Type of measuring site	Pollutants measured
1.	Pljevlja 2-Gagovića imanje	UB	NO, NO ₂ , NO _x , SO ₂ , CO, PM _{2.5} , PM ₁₀ (Pb, As, Cd, Ni i BaP u PM ₁₀)
2.	Gradina	RB	NO, NO ₂ , NO _x , SO ₂ , O ₃ , CH ₄ , THC i Hg
3.	Bijelo Polje	UB	NO, NO ₂ , NO _x , CO, PM _{2.5} , PM ₁₀ , (Pb, As, Cd, Ni i BaP u PM ₁₀)
4.	Podgorica 2 (Blok V)	UB	O ₂ , PM _{2.5} , PM ₁₀ , (Pb, As, Cd, Ni i BaP u PM ₁₀)
5.	Podgorica 3 (kružni tok Zabjelo)	UT	NO, NO ₂ , NO _x , CO, C ₆ H ₆ , PM ₁₀ , (Pb, As, Cd, Ni i BaP u PM ₁₀)
6.	Podgorica 4-Gornje Mrke	RB	NO, NO ₂ , NO _x , O ₃ , CH ₄ i THC
7.	Nikšić 2	UB	NO, NO ₂ , NO _x , CO, O ₃ , SO ₂ , PM _{2.5} , PM ₁₀ (Pb, As, Cd, Ni and BaP u PM ₁₀)
8.	Bar 3	UB	NO, NO ₂ , NO _x , PM _{2.5} , PM ₁₀ (Pb, As, Cd, Ni and BaP u PM ₁₀)
9.	Kotor	UT	NO, NO ₂ , NO _x , CO, SO ₂ , C ₆ H ₆ , PM ₁₀ , (Pb, As, Cd, Ni and BaP u PM ₁₀)

Additionally, **local air quality monitoring in capital city of Podgorica** was conducted at locations in the immediate and wider urban areas during 2024. Monitoring included the measurement of basic pollutants prescribed by the Regulation on the determination of types of pollutants, limit values and other air quality standards ("Official Gazette of Montenegro", No. 25/12). To assess air quality in 2024, the results of periodic measurements (four fourteen-day measurement cycles) from three locations in the Capital were used: Zagorič – Piperska Street, Stari Aerodrom, Josipa Broza Boulevard and near the "Delta City" shopping center.

All sulfur dioxide, ozone, carbon monoxide, benzene and heavy metal content in PM₁₀ measurement results were below the prescribed limit values. The annual mean nitrogen dioxide concentration at the locations Zagorič – Piperska ulica and near the shopping center "Delta City" was above the annual mean, which is directly related to emissions of pollutants originating from traffic. Suspended PM₁₀ particles on all three locations in 2024 was above the prescribed limit value of 50 µg/m³. The mean annual value of benzo(a)pyrene, presented as the mean value of weekly samples of suspended PM₁₀ particles at all three locations in the Capital City, was above the prescribed target value for health protection.

In **conclusion**, the state of air quality in Montenegro during 2024 shows serious challenges in the Northern and Central Zones, especially in urban and industrial environments during winter. The main causes are the combustion of solid fuels for heating (wood and coal), traffic with the influence of unfavorable meteorological conditions that prevent the dispersion of pollution. The highest exceedances were recorded in Bijelo Polje and Pljevlja, where the values of PM particles and benzo(a)pyrene exceeded the prescribed limits several times.

Pollution with PM particles and benzo(a)pyrene was also recorded in Nikšić and Podgorica. In order to improve air quality, it is recommended to strengthen monitoring systems, switch to cleaner energy

sources, and implement specific measures at the local and national levels to protect the health of citizens and preserve the environment.

Project wise, construction works might result with increased concentration of polluting substances, primarily dust and exhaust gases from vehicles (machines engaged in the works execution). Suspended particles (dust) that will occur from transport roads when used for machinery transportation or trucks passing. The installation and operation of the site, including the presence of workers, equipment and materials will result in gaseous emissions of which oxides of carbon (CO_x), nitrogen (NO_x) and sulphur (SO_x) as well as aerosols and noise. However, these impacts will be localized, given the number of construction vehicles involved and the duration of the work.

4.2.7. NOISE²⁸

In accordance with the Law on Protection from Environmental Noise ("Official Gazette of Montenegro", No. 028/11, 1/14, 2/18), and the Rulebook on environmental noise limit values, the method of determining noise indicators and acoustic zones and methods of assessing the harmful effects of noise ("Official Gazette of Montenegro", No. 060/11, 094/21) municipalities have adopted decisions on acoustic zoning of their territories. By determining acoustic zones, limit values are prescribed for defined parts of the municipal territory, which is important for environmental noise protection, as well as for future planning of the construction of facilities and issuing of permits for the planned operations. Table 6 shows the limit values of noise levels prescribed by the Rulebook:

TABLE 9 NOISE LIMIT VALUES IN MONTENEGRO

Acoustic zones	Noise level in dB(A)		
	<i>L_{day}</i>	<i>L_{evening}</i>	<i>L_{night}</i>
1. Quiet zone in nature	35	35	30
2. Quiet zone in agglomeration	40	40	35
3. Zone of increased noise protection regime	50	50	40
4. Residential zone	55	55	45
5. Mixed-use zone	60	60	50
6. Zones heavily affected by traffic noise			
6.a Zone heavily affected by air traffic noise	55	55	50
6.b Zone heavily affected by road traffic noise	60	60	55
6.c Zone heavily affected by rail traffic noise	65	65	60
7. Industrial zone	At the border of this zone, the noise must not exceed the noise level limit values in the adjacent zone		
8. Zone exploitation of mineral raw materials	At the border of this zone, noise must not cross limit values of the noise level in the zone with which borders		

Environmental Noise Monitoring in Montenegro was carried out in accordance with the Environmental Noise Monitoring Program for 2024. The program included 15 measurement positions in 14 municipalities of Montenegro. Multi-day noise level measurements in Montenegro at all measurement positions, conducted in the period from 19.01. to 16.05.2024, showed that the values of the noise level indicators for day, evening and night exceed the limit values.

In general, taking into account all the monitoring results, it was concluded that traffic noise is the largest source of noise in the environment in Montenegro. The Environmental Protection Agency of Montenegro has given short-term protection measures (Ministry of Transport, local government units) as follows:

²⁸ [Informacija o stanju životne sredine za 2024. godinu](#)

- limiting the speed of vehicles by means of artificial obstacles (so-called "speed bumps") on the roadway near schools, kindergartens, playgrounds, amusement parks, promenades (places where pedestrians, especially children, appear in large numbers);
- banning traffic for certain vehicle categories and directing them to routes less sensitive to noise,
- better traffic regulation and control of vehicle noise levels,
- more favorable choice of public urban transport,
- increasing bicycle paths and the use of bicycles and electric scooters,
- during vehicle technical inspections, implement measures and actions within the scope of jurisdiction for vehicles that generate high levels of noise resulting from engine operation and
- prohibiting so-called engine revving and the use of sirens (without reason) in urban areas.

Table 7 lists the locations where noise levels were measured in the municipalities of interest for the project.

TABLE 10 NOISE MEASURING POINTS IN CHOSEN MUNICIPALITIES

City	Measuring point
Podgorica	Stari Aerodrom, Bulevar Pera Četkovića 175, joint business and residential building, 4th floor Ulica Prve proleterske brigade 33, mini bypass, individual residential building, 1st floor
Nikšić	PHI General Hospital, ul. Nikca od Rovina b.b., plateau above the entrance door, 1st floor
Bar	Centar, Ulica Vladimira Rolovića b.b., business and residential building, 1st floor

For Podgorica, the noise level indicator values for day, evening and night, at both measuring points, exceed the noise level limit values in the seven-day measurement cycle. The noise level indicator values for day, evening and night in the seven-day measurement cycle also exceed the noise limit values in both Nikšić and Bar.

For Project located activities, human presence and execution of works at the location, and movement of vehicles, construction and heavy mechanization will contribute to the increasing of the noise levels. Appropriate monitoring and protection measures should be applied.

4.2.8. ENERGY²⁹

Energy represents one of the pillars of the overall, sustainable development of Montenegro. The energy sector of Montenegro is developing in accordance with EU policies and is open to private, domestic and foreign investments. The high level of compliance of the regulatory and legal framework with EU regulations is confirmed through the conclusions of the Energy Community, as well as the membership of the Energy Regulatory Agency in ACER. An important signal to investors is the successful functioning of the Electricity Exchange. In addition, the implementation of significant investments in the transmission and distribution system represents an incentive for new investments, especially in the electricity generation sector.

In the structure of primary³⁰ energy consumption in 2023, the share of fossil fuels dominates with 63% (coal 31% and oil derivatives 32%), renewable energy sources 31%, and the rest of 6% other energy sources. The analysis on the basis of indicator - Primary energy consumption by energy source (D) for the period (2000-2023) showed that the highest primary energy consumption of 1498 ktoe was recorded in 2004, while the lowest consumption of 928 ktoe was recorded in 2009. In 2023, there is a slight increase in total primary energy consumption compared to consumption in 2022 (1039 ktoe) with an amount of 1073 ktoe.

²⁹ [Informacija o stanju životne sredine za 2024. godinu](#)

³⁰ Primary energy sources can be renewable and non-renewable. Non-renewable sources are: fossil fuels (oil, gas, coal, peat) and nuclear energy. Renewable sources are those whose potential is renewed in a short time, namely: solar energy, wind energy, hydro energy, biomass energy and biofuels.

The participation of individual sectors in the total consumption of final energy in 2023 is: Households 33%, Transportation 40%, Industry 11%, Services 15% and Agriculture 1%. Total consumption of final energy for energy purposes in the period 2020-2023. year, is reflected in a significant growth of +60 ktoe, which is a total increase of +8.6%. Growth is most pronounced in 2021, +7%, while in 2022 and 2023, a modest growth of 1.3% and 1.4%, respectively.

4.3. SOCIO-ECONOMIC CHARACTERISTICS OF THE PROJECT AREA

4.3.1. ADMINISTRATIVE ORGANIZATION

The territorial organization of Montenegro is determined both by the Constitution of the Republic of Montenegro and by several laws, of which the most important is the Law on Local Self-Government. The territory of Montenegro is divided into 25 local self-government units. These include administrative capital of Montenegro, Podgorica, and the Royal Capital Cetinje, and 23 other Municipalities. Municipalities can consist of several urban (cities) and rural areas. Further, municipalities are divided into settlements, which represent the official territorial units within a municipality. Each municipality has a number of "Local communities" (Mjesna zajednica), i.e. Local Community Offices (LCOs), which are founded by the local communities for addressing common needs and interests of citizens in the smaller part of its territory. Local communities are formed in both urban and rural parts of municipalities to address local needs and interests in the following areas: organization of settlements, housing, consumer protection, culture, physical education, the environmental protection and improvement. LCOs are established in the form of legal entities, which represent an additional form of local self- government administrative entity. The LCOs represent a platform for participation of the local communities in the decision-making process on the level of municipalities, as LCOs are the primary point of contact which is used by the local population for raising any of their potential concerns, requests, and/or addressing any ongoing local social, environmental, as well as any other context- specific concerns.



FIGURE 2 MONTENEGRO ADMINISTRATIVE MAP

4.3.2. DEMOGRAPHY

According to the final results of the 2023 Census of Population, Households and Dwellings (reference date: 31 October 2023), Montenegro has a total population of 623,633 persons with their usual place of residence, of which 306,807 are men (49.2%) and 316,826 are women (50.8%). Spatial population distribution shows a strong concentration in major urban centres: Podgorica has 179,505 inhabitants, accounting for approximately 28.8% of the total population of Montenegro; Nikšić has 65,705 inhabitants (10.5%), while Bar has 45,812 inhabitants (7.3%) while Danilovgrad has 18,472 inhabitants (3%). Together, these four municipalities make up about 50.5% of the total population of the country.

The most recent official data on natural population change, published by the Statistical Office of Montenegro (MONSTAT) for 2024, show 6,977 live births and 6,329 deaths, resulting in a positive natural increase of +648 persons at the national level. At the local level, Podgorica recorded a negative natural increase of –65 persons, Nikšić also registered a negative natural increase of –65 persons, Danilovgrad –40, while Bar recorded a positive natural increase of +81 persons, reflecting significant spatial differences in demographic dynamics across municipalities.

The Project will have nationwide positive impacts but physical interventions in improvement of Rail Level Crossings (minor civil works) will be limited geographically to possible selected areas in Podgorica, Niksic and Bar.

PA Characteristics

PA in the context of demographics is not presented for Bar, as the works in Bar are rather localized and they are going to be implemented in the Port. Consequently, there is no specific settlement of relevance to project implementation. Thereby, this section presents all settlements which are located along the RLCs which are going to be subject to this project.

The railway corridor passes through settlements of very different character, ranging from clearly urbanized areas to small rural communities. The largest and most urban segments are found in Zagorič (6,645 inhabitants), as well as in Kličevo (2,823) and Straševina (2,192), which function as significant suburban zones with developed residential and infrastructure features. Golubovci and Martinići also stand out as larger local centers along the route.

On the other hand, the railway also crosses very small settlements such as Kopito Petrovića (39 inhabitants), Požar (47), Jelenak (52), and Ljutotuk (58), which are predominantly rural with low population density. This contrast highlights the need for a differentiated planning approach, particularly in terms of accessibility, spatial protection, and integration with existing settlements. Inclusion of all of these local communities is going to be essential for project implementation, as the local communities represent the main and most frequent users of the existing infrastructure. Consequently, it is necessary to plan and implement meaningful engagement with all of these local communities in order to ensure that their needs, concerns and requirements are duly taken into account and addressed.

TABLE 8 SETTLEMENTS AND POPULATION IN THE PA

Settlement	Municipality	Population	Households
Golubovci	Zeta	3,497	1,050
Mahala	Zeta	2,188	620
ZETA TOTAL		5,685	1,670
Zagorič	Podgorica	6,645	2,230
PODGORICA TOTAL		6,645	2,230
Donje Šume	Danilovgrad	94	32
Cerovice	Danilovgrad	118	40
Pričelje	Danilovgrad	229	73
Spuz	Danilovgrad	1,696	520
Podglavica	Danilovgrad	86	28
Martinići	Danilovgrad	1,748	540
Prentina Glavica	Danilovgrad	132	41
Ljutotuk	Danilovgrad	58	18

Settlement	Municipality	Population	Households
Glizice	Danilovgrad	71	22
Kopito Petrovića	Danilovgrad	39	12
Gorica	Danilovgrad	164	50
Jelenak	Danilovgrad	52	16
Ždrebaonik	Danilovgrad	1,055	330
Sekulići	Danilovgrad	144	44
Slap	Danilovgrad	179	57
Bare	Danilovgrad	63	20
Šobajjići	Danilovgrad	210	65
Požar	Danilovgrad	47	15
Vrela	Danilovgrad	192	60
Dabovići	Danilovgrad	83	26
DANILOVGRAD TOTAL		6,460	2,009
Kličevo	Nikšić	2,823	910
Straševina	Nikšić	2,192	720
NIKŠIĆ TOTAL		5,015	1,630
TOTAL		23,805	7,539

4.3.3. EMPLOYMENT

According to the Labour Force Survey data published by the Statistical Office of Montenegro (MONSTAT) for 2024, the labour market structure of Montenegro shows that out of the working-age population (aged 15–89), the activity rate was 63.9%, the employment rate was 56.6%, and the unemployment rate was 11.5%. In absolute terms, this corresponds to a labour force of approximately 317 000 persons, of which about 281 000 were employed and 36 000 were unemployed, while roughly 181 000 persons were outside the labour force. These figures indicate that a majority of the active population³¹ is employed and that the unemployment rate has generally declined compared to earlier years, reflecting improving labour market conditions in Montenegro in 2024.

In accordance with the data from Census 2023 employment rate in Municipality Bar was 88.1%, Municipality Podgorica 90.7%, Municipality Danilovgrad 90% and Municipality Niksic 83.6%, respectively. On the other hand, unemployment rates were following: Bar 11.9%, Podgorica 9.3%, Danilovgrad 10% and Niksic 16.4% (Census 2023, MONSTAT).

4.3.4. ECONOMY

The economy of Montenegro is based on a market economy model. Around 90% of all large Montenegrin state-owned companies have been privatized, including 100% of banking, telecommunications, and oil distribution. Montenegro uses the EURO as its domestic currency. In January 2007, Montenegro joined the World Bank and IMF, and in December 2011, the WTO. Montenegro began negotiations to join the EU in 2012, and the process is still undergoing.

Montenegro's economy is service-dominated and investment-driven. In nominal terms, GDP was EUR 7,069 million in 2023 and EUR 7,645 million in 2024, while real GDP growth was 6.5% in 2023 and 3.2% in 2024, respectively (revised series)³².

The main areas of economic activity are wholesale and retail trade, tourism-related accommodation and food services, transport and logistics, real estate, ICT, financial services, public services, and construction (with trade and tourism-related services among the largest individual activities in GDP structure). Consistent with the World Bank's recent assessment, growth in 2024 was supported by private consumption and investment, but with high import dependence; activity indicators pointed to

³¹The term "active and inactive population" refers to the population of Montenegro between 15 and 89 years of age. Active population are either employed, or unemployed but actively searching for an employment during last four weeks from the day the survey is taking place.

³² Statistical Office of Montenegro (MONSTAT) – National Accounts, GDP structure by activity
Publication: Gross Domestic Product of Montenegro 2024, available at:
https://monstat.org/uploads/files/BDP/BDP2024/Annual%20GDP%202024_eng

continued momentum in retail and construction, while tourism and industry showed weaker performance in parts of 2024.

Tourism represents the single most important economic sector. Tourism-related activities generate strong indirect effects across accommodation, hospitality, transport, trade, construction, and services, making tourism the dominant growth driver of the economy. Tourist arrivals annually exceed the resident population multiple times, structurally positioning tourism as the core economic engine.

The services sector dominates employment and enterprise activity, particularly trade, transport, tourism, finance, real estate, and business services. The construction sector is one of the fastest-growing sectors, driven by infrastructure projects, housing construction, tourism development, and foreign investment, with strong multiplier effects across the economy. Industry has a smaller but stable role, concentrated in energy, processing, and basic manufacturing, while agriculture has a limited GDP share but remains important for regional development and rural employment.

Economic activity is spatially concentrated in Podgorica and the coastal region, where services, tourism, trade, finance, and construction dominate, while northern municipalities show lower economic intensity and diversification. Generally, Montenegrin economy is characterized by service dominance, tourism dependence, investment-led growth, and regional concentration of economic activity, with growth driven by tourism demand, construction, services expansion, and capital inflows.

Municipality Bar and its economy is shaped by its coastal location and strategic position as Montenegro's main seaport (Port of Bar). The municipality has a dual economic structure based on tourism and transport/logistics. Tourism is a major driver of economic activity with a focus on hospitality, accommodation, and related services. On the other hand, Port of Bar represents a critical national infrastructure, supporting trade, logistics, and regional connectivity. Agriculture also exists in the hinterland, particularly olive cultivation and fruit production, but it plays a secondary role in the overall economic structure.

Municipality Podgorica is the economic and administrative center of Montenegro. Its economy is highly diversified, with a strong dominance of the tertiary sector, including public administration, finance, trade, real estate, and business services. Retail and wholesale trade represent one of the largest employment sectors. On the other hand, Municipality Podgorica is a key logistics and transport point, connecting coastal and northern region. Even though there are industrial zones and light manufacturing industry plays a secondary role compared to services.

Municipality Danilovgrad has a predominantly agriculture-based economy. Key activities are related to crop production, livestock farming, and small-scale agro-processing. Local economic activity is characterized by small and medium-sized enterprises (SMEs), light industry and services.

Municipality Nikšić has historically been Montenegro's main industrial center, with a legacy of heavy industry, particularly in metallurgy and energy production. Since 90's its economy faced transition, moving from a traditional industrial model toward a more diversified structure. Today key economic activities include energy production (notably hydropower and renewables-wind park Krnovo Gvozd 1, Gvozd 2, and Mozura), manufacturing and construction, alongside growing service sectors such as trade and public services.

4.3.5. LAND USE AND LAND PROPERTY

Under Montenegrin legislation, land is classified as state-owned (public property) or privately owned. Railway infrastructure, including railway corridors, stations, level crossings and associated land, is regulated by the Law on Railways and is designated as public property of the state, managed by the railway infrastructure operator on behalf of the state.

State-owned railway land is subject to a special legal regime and is not subject to privatization or transfer of ownership. Construction, rehabilitation and maintenance works on such land are carried out on the basis of approved technical documentation and relevant permits, without the need for land acquisition procedures.

Private land ownership is protected by the Constitution and relevant laws. Any permanent or temporary occupation of private land would require a formal procedure in accordance with the Law on Expropriation, including compensation. However, the proposed project will be implemented entirely within the existing railway right-of-way, and no use of private land is envisaged.

Accordingly, no land acquisition, expropriation, loss of assets or restrictions of property rights are expected as a result of the project.

4.3.6. TRANSPORT INFRASTRUCTURE AND UTILITIES

The existing railway network in Montenegro consists of single-track rails of standard width:

- Vrbnica – Bar, part of the Belgrade-Bar railway passing through Montenegro;
- Podgorica – Tuzi – state border (Podgorica – Shkodra railway section);
- Podgorica - Nikšić.

The total length³³ of the railway network in Montenegro is 327.72 km, of which:

- 250.51 km of open railways, and
- 77.21 km of station tracks.

All railways are single-track. 223.80 km were electrified with a single-phase 25 kV 50Hz system. 24.74 km of open track is not electrified. The railway infrastructure of Montenegro is connected to a certain number of industrial tracks which are owned by other legal entities.

Network description: The railways that make up the railway network in Montenegro are single-track. The width of all tracks of the railway network in Montenegro is 1435 mm. The tracks of the railway network in Montenegro are category D4. On the railway network managed by ŽICG, traffic runs continuously 24 hours a day. The exception is the stripe Podgorica - Tuzi, which works with limited working hours from 08:00 to 2000 h.

³³ 2026 Network Statement issued by Railway infrastructure of Montenegro (ŽICG)



FIGURE 3 MONTENEGRO RAILWAY NETWORK

The primary airport network of Montenegro includes the airports of Podgorica and Tivat. The air traffic infrastructure of Podgorica Airport has higher capacities, area and installations from the current level of use. However, the number of flights and passengers has been significantly growing during previous years. From 2022 (1,9 million passengers) to 2024 (2,9 million passengers) it has risen more than 50%. The airport "Podgorica" is located south from the city and not near the Podgorica bypass highway route.

Regardless of the fact that Montenegro orientation as an Adriatic and maritime country, the nautical traffic, both in number of passengers and tons of goods, is not that developed. The only two important international ports are at Bar and Kotor, both internationally ranked as "small ports". The construction of the Bar-Boljare Highway should increase possibilities for maritime passenger and cargo transport, both in constant fall over last decades.

Length of roads in Montenegro in 2024 was 10 137 km. Regarding the type of road the highest share in the 2024 had an asphalt surface whose length was 6 932 km (68.3%), followed by gravel with 1907 km (18.8%) and earthen roads with 1298 km (12.8%). Number of bridges in 2024 was 579. Number of registered road motor vehicles in 2024 amounted 306 686. There are 326 registered motor vehicles per 1.000 inhabitants, which is a significantly higher average than most countries in the region (Serbia 288, BiH 258, Macedonia 206, Albania 167, Kosovo 150). During the year 2024 motor vehicles registered

in Montenegro carried 1 019 thousand tons of goods and performed 121 482 thousand tons-kilometers. Distance travelled by loaded vehicles was 6.713 thousand kilometers. Exported goods were transported by road vehicles in 40% of volume of all imported goods.

The number of traffic accidents in 2024 was 6,649, which is 1.2% more than in 2023, when the number of traffic accidents was 6,573. The number of casualties in 2024 was 3,135 (of which 3,078 were injured and 75 were killed), which is 0.3% less than in 2023. The road accidents number is following the same pattern as the traffic density which is significantly higher in summer months. Looking at the number of road traffic related deaths per 100.000 inhabitants index, Montenegro had 9.1 index in 2021 which is a lower number compared to some countries in the region (Albania 10.8, BiH 13.7) and higher than other countries (Serbia 7.4, Macedonia 5.7, Croatia 8.1). For comparison, this World-wide average index³⁴ is 15, but in European countries this index is in 7 averages, which is lower than Montenegro index.

Public transport in the Municipality of Podgorica (within the city, as well as between rural suburban and village areas and the city) is organized by private companies and the public enterprise “Putevi”, with private operators playing a more significant role in suburban and rural areas.

4.3.7. TELECOMMUNICATIONS AND INFORMATION NETWORK

According to World Bank data and national reports, Montenegro has achieved essentially 100% access to electricity supply in both urban and rural

The current telecommunications environment in Montenegro is governed by the Law on Telecommunications and the Law on Radio Diffusion, with sector oversight provided by the Agency for Electronic Communications and Postal Services (EKIP) and the Agency for Radio-Diffusion Services.

Fixed telephony subscriptions have declined over the past decade due to mobile substitution. However, data from 2024 show around 190,000–192,000 fixed-line connections, indicating that land-line services still serve a segment of the population and business users³⁵.

Mobile telephony has grown significantly and remains the dominant voice and data platform. As of end of 2024, there were approximately 1.59 million mobile connections, equivalent to about 257% mobile penetration per 100 inhabitants, reflecting multiple SIM ownership and broad coverage³⁶. Majority of connections are now using broadband-capable (3G/4G/5G) networks.

Montenegro has numerous radio and television broadcasters, including multiple national and local licenced stations. Traditional television remains a widely used medium — with TV penetration typically higher than radio and that a significant share of residents still accesses broadcast media even if they do not regularly use the internet.

Internet adoption in Montenegro has grown substantially over the past decade. By late 2025, an estimated 566,000 individuals (about 89.7% of the population) were active internet users. Household internet access rates have also risen: recent national ICT surveys indicate that around 84.5% of households had internet access in 2024, up from about 81% earlier in the decade³⁷.

In the **context of project implementation**, telecommunication infrastructure is going to have to be taken into account during development of the Main Design and project implementation, so as to ensure full alignment of the project with the existing infrastructure. This is going to ensure that there are no interruptions in provision of telecommunication services. However, since it is not possible to establish baseline related to the telecommunication infrastructure in the project area before obtaining official

³⁴ [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/estimated-road-traffic-death-rate-\(per-100-000-population\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/estimated-road-traffic-death-rate-(per-100-000-population))

³⁵ MontenegroBusiness fixed-line statistics, Dec 2024

³⁶ MontenegroBusiness, Nov 2024

³⁷ ICT Report, Monstat 2024.

conditions for project implementation, this section of ESMF has been developed on the level of principle which is going to be followed by all the relevant parties throughout project implementation.

Understanding telecommunication infrastructure and media usage is critical for effective outreach about development projects. Those who are offline, do not receive regular digital news, and lack access to broadcast media often include the most vulnerable populations (e.g., elderly in remote or agricultural households, economically disadvantaged groups, and socially isolated communities) and will require specific strategies and use of multi-channel communication (mobile SMS, radio, local meetings, printed leaflets) in order to ensure inclusion. However, given the characteristics of the project locations, any potential risks are expected to be minimal and not significant.

4.3.8. EDUCATIONAL SYSTEM

Montenegro's education system is structured across primary (elementary), secondary (highschools), and higher education, with a small but growing private sector concentrated mainly in Podgorica. The system is largely publicly funded, with the Ministry of Education overseeing curriculum, standards, teacher certification, and overall planning, while municipalities are responsible for local administration and infrastructure.

Across Montenegro as a whole, there were 55 pre-primary institutions (2024/2025) whereas there are 21 public and 34 private serving almost 26,000 children. Podgorica has 3 public pre-school institutions and 25 private pre-school institutions (kindergartens) in 2025. Podgorica hosts 75 schools, including primary, secondary, and private institutions. The city is the main hub for private education in Montenegro, with approximately 10 licensed private schools nationwide, most concentrated here. Nikšić and Bar have smaller networks of public schools.

When it comes to primary education (2024/2025) Podgorica had 21,918 students, while Niksic and Bar had 3,563 and 2,840, respectively. Podgorica's primary enrollment dominates due to its size and population growth, including urban expansion and in-migration. When it comes to the secondary education (2023/2024) Podgorica had 8,589 students, while Niksic and Bar 2,971 and 1,777 respectively.

Podgorica has 3 Universities: University of Montenegro (Univerzitet Crne Gore) – the national public university, founded in 1974, with its main seat and the majority of faculties based in Podgorica (though it also has campuses in Nikšić, Cetinje, Kotor, Bar and other cities). In 2024/2025 it had approx. 21,500 students. University of Donja Gorica (UDG) is a private university established in 2007. In 2024/2025 it had approx. 3,500 students. Mediterranean University (Univerzitet Mediteran) is a private university founded in 2006 with 2,200 students in 2024/2025.

During the **implementation of railway works**, although limited in scope, certain impacts on the daily mobility of the population can be expected, particularly affecting children and youth within the education system. These impacts primarily relate to the regular daily travel of pre-school and primary school children to kindergartens and schools, which is typically organized through school transport, public transport, or family arrangements. In addition, potential impacts may also affect secondary school students, as well as university students commuting on the Nikšić–Podgorica route and vice versa, where possible delays, changes in traffic regimes, or temporary restrictions may influence the regularity and reliability of their travel.

In this context, railway works may result in occasional delays, changes in traffic arrangements, or short-term restrictions on the local road network, particularly along routes used for daily transport of pupils and students. Contractors and engaged third parties should plan activities in a way that minimizes disruptions during school start and end times. Where this is not feasible, timely communication with educational institutions and the local community is necessary, including information on planned works, expected delays, and alternative routes.

PA characteristics

For the purpose of comprehensiveness at this stage of project development, the table below provides information about the educational institutions which are located within the 1km distance (aerial) from the individual project locations. The purpose of this presentation is in order to ensure that the social context of the project is duly taken into account throughout all project phases. Additionally, the importance of this segment of social context is related to the process of planning and implementation of the project. Namely, all these stakeholders are going to be duly taken into account and considered as part of SEP and the pertaining stakeholder engagement activities, as these institutions must be provided with conditions which are going to ensure undisturbed operation and access to their premises.

TABLE 11 LOCATION OF EDUCATIONAL INSTITUTIONS IN RELATION TO THE PROJECT AREA

Project location	Educational institution	Distance (aerial) from the project location
RLC “Zagorič” 42.46090927751386, 19.275954908782012	Elementary school “Branko Božović” 42.45524367575353, 19.274288276769138	620m
RLC “Zagorič” 42.46090927751386, 19.275954908782012	Kindergarten “Small Prince” 42.4566854758715, 19.27317596324235	522m
RLC “Zagorič” 42.46090927751386, 19.275954908782012	Kindergarten “Maša” 42.45456730855037, 19.273820458522366	717m
RLC “Zagorič” 42.46090927751386, 19.275954908782012	British Green Academy 42.45408302630233, 19.27472454139197	764m
RLC Sekulići 42.55898926134395, 19.120123017499367	Elementary School “Vuko Jovović” 42.5601006820257, 19.127337518380813	172m
Ždrebaonik (location of the planned underpass) 42.558530228996396, 19.125892519918068	Elementary School “Vuko Jovović” 42.5601006820257, 19.127337518380813	523m
RLC “Kličevo” 42.755461692976574, 18.948346418120728	Elementary School “Jagoš Kontić” 42.754835066954996, 18.947502969312737	72m
RLC “Kličevo” 42.755461692976574, 18.948346418120728	Kindergarten “Leptir” 42.75512295287002, 18.94012769793746	679m

As it may be seen from the table, the project area is characterized by relative proximity of 8 elementary schools and kindergartens to the project area. This is highly important during project planning and implementation, as the project must be implemented in the manner which is going to allow for regular and undisturbed access to school premises, to all the relevant parties. Thus, these educational institutions shall be duly taken into consideration during planning of project implementation.

4.3.9. HEALTH FACILITIES

Montenegro has progressively improved key health care indicators over recent years. Recent data show that Montenegro has 285 physicians per 100,000 inhabitants in 2024. Which represents progress from earlier decades (comparing with 205 per 100,000 in 2010). The number of medical personnel continues to expand modestly. Official statistics are showing approximately 1,779 doctors in 2023, including 1,183 specialists, dental and pharmaceutical professionals. Clinical infrastructure is base on Clinical Center of Montenegro (KCCG) located in Podgorica, which serves as the country’s primary secondary

and tertiary health institution. It functions as a centre for patients from Podgorica and surrounding municipalities (e.g., Danilovgrad and Kolašin), serving a population of approximately 220,000 people in central Montenegro. Primary health services are delivered through local health centres whereas Health Centre Podgorica is the principal provider. It operates across facilities in the municipality, including major centres (Block V, Nova Varos, Stara Varos, Konik), larger points (Golubovci, Tuzi), and stations serving urban neighborhoods and communities. Beyond the urban area, rural health points and ambulances are providing weekly services, reflecting an effort to maintain basic access in remote areas.

PA characteristics

For the purpose of duly project planning, the table below presents an overview of health institutions which are located in relative proximity to the project area (cca 1mk radius from the railway). These locations shall be duly taken into consideration during the process of planning project implementation, so as to ensure that proper impact mitigation and management measures are duly planned and integrated into the project social management plans. Just as it is the case with educational facilities, project planning must be done in duly consideration of the health facilities which are located in relative vicinity of the project area.

TABLE 12 LOCATION OF HEALTH FACILITIES IN RELATION TO THE PROJECT AREA

Project location	Health facility	Distance (aerial) from the project location
RLC “Zagorič” 42.46090927751386, 19.275954908782012	Primary Health Care Centre “Zlatica” 42.46158840660445, 19.292629245958135	1.37km
RLC “Zagorič” 42.46090927751386, 19.275954908782012	Private Health Institution “Poliklinika Hipokrat” 42.46332427735007, 19.267863500768147	710m

Similar to the issue with the education system, there is a need for open daily routes for emergency patients, dialysis and elderly patients that can be influenced by Project construction (delays, local road closure etc), even more so considering that Podgorica is a regional secondary and tertiary health care centre. The contractors and third parties working on the Project should try to avoid delays and closure that can significantly influence those routes and promptly communicate the health facilities and general and local public about delays, closure, alternative routes etc. Also, contractors and third parties involved in construction works for the Project should communicate with local health centres and hospitals for health issues and include their specific capacities in ESMP, including them into Health and Safety plans, health emergency procedures, health protection in case of influx of workers on the Project, information about endemic infectious diseases, establish a system to regularly monitor the health of employees and cooperate, as appropriate, on mitigation measures and plans for community health and safety.



FIGURE 4 TRANSPORT NETWORK AND BORDER CROSSING IN WESTERN BALKANS

4.3.10. SOURCE OF INCOME AND POVERTY

In Montenegro household income typically derives from a combination of employment earnings, pensions, social transfers, self-employment, and other smaller income sources. Household income includes: wages/salaries and income from self-employment, Income from capital, Pensions and social transfers (unemployment benefits, child allowances, maternity leave) and other transfers (regular financial support from outside the household).

Employment income is generally the primary source of household earnings, especially for households where at least one member has regular formal employment. In many rural areas and smaller towns, secondary sources such as agriculture and informal work also contribute, but they are less prominent in official data. For example, over 83% of households reported that personal earnings were their main income source, with pensions and social benefits together accounting for around 10–11% of primary household income³⁸.

Despite sustained economic growth and increasing wages over recent years, poverty and the risk of poverty is still of significant concern for a substantial share of Montenegrin households. In 2023, the poverty risk rate (defined as having national equivalent disposable income below 60% of the median) was approximately 20.0% of the population. While, in 2024 the poverty risk rate was at about 20%, meaning 1 in 5 individuals lived in households with income below the national poverty threshold. The Gini coefficient, a measure of income inequality, was estimated at around 33 in 2024 which is implying moderate income inequalities (slightly above EU average 30).

4.3.11. VULNERABLE GROUPS

Vulnerable groups refer to people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who

³⁸ UNDP, 2023.

may be limited in their ability to claim or take advantage of project benefits. The PIU will take necessary actions to ensure that vulnerable groups are not disadvantaged in the resettlement process or when under other impact of the Project, and are fully informed and aware of their rights, and are able to benefit equally from the resettlement opportunities and benefits. Vulnerable individuals must be identified through every step of the process of environmental and social assessment, but in this scoping will consider groups that can be defined as potentially vulnerable by their social status in Montenegro. The 2023 Census is showing that the literacy rate in Montenegro remains very high, reaching approximately 99.0% of the total population, or about 98.7–98.9% of the population aged 10 and above (MONSTAT, Census 2023). According to the Census, the total number of illiterate persons in Montenegro has further declined compared to 2011 and is estimated at around 6,500–7,000 individuals, with a pronounced gender imbalance, as women still constitute the majority of the illiterate population. As in previous census results, illiteracy is strongly concentrated among older age groups. Nearly two-thirds of illiterate persons are aged 65 and over, confirming that illiteracy in Montenegro is primarily a generational issue. Within this group, women represent a disproportionately high share, accounting for over 85–90% of illiterate elderly persons. The Census 2023 also indicates that approximately 4–5% of the population aged 65 and above is illiterate, showing a noticeable improvement compared to 2011, when this share was 6.1%.

Elderly, retired persons are at rates of poverty risk lower than some other social groups at national level. According to some studies, intergenerational transfers are quite high in Montenegro, where children stay with the elderly in the same household, share the property and income that are accumulated and generated by the older generations. However, due to unfavorable trends in migrations of younger working age population from rural to urban areas, or to other countries, many rural households are left with only elderly people. This trend can be clearly analyzed when comparing agricultural households working force. In Montenegro there are 98,949 persons in employed in agriculture, of which there are 98 341 working on household farms, out of which 23,198 persons are aged 65 and over, which makes up 23.58% of the total workforce. For comparison, agricultural households' workforce of persons younger than 24 years of age makes 6,717, or 6.83%. Elderly persons (65+) are also most commonly heading agricultural households in 33,24% of the cases and mostly of small properties below 2 hectares of available land (only 12,87% of that are women headed households).

4.3.11.1. Women and gender issues

Although gender equality is warranted by the Constitution and legal framework of Montenegro, there are significant residues of gender inequality (higher percentage of illiteracy, lower percentage of women headed households, lower percentages of activity and employment etc.). Furthermore, women's wages are lower than those of men for comparable work, and wage gaps are present. Women have the same legal rights as men in property law, family law, and the judicial system etc; however, in practice women do not enjoy equal social status with men. Traditional patriarchal ideas of gender, which maintain that women should be subservient to male members of their families, persisted and resulted in continued discrimination against women in the home. In rural areas, women cannot always exercise their right to control property, and husbands occasionally directed their wives' voting. The table below shows employment and activity rates for men and women in Montenegro and Podgorica:

TABLE 13 EMPLOYMENT IN MONTENEGRO

	Montenegro	Podgorica	Bar	Danilovgrad	Niksic
Total population	623.6	179,505	46,171	18,832	66,725
Employed	248.1	112,482 (Oct 2024)	18,500	7,500	25,000
Unemployed	38.2	7,000 (2024)	1,200	400	3,500
Employment rate	56.4 (2024)	58%	50%	49%	47%
Unemployment rate	11.5% (2024)	9.3%	11.9%	10%	16.5%

4.3.11.2. Roma And Egyptian population

According to the 2023 population census there are 7,284 members of the Roma and Egyptian communities, which represents approximately 1.17% of the total population (Roma: ~5,629; Egyptians: ~1,655). However, official census figures are widely regarded as underestimates of the true population size. The actual number of Roma and Egyptians is likely higher than the official data, with internal estimates suggesting a population of at least 12,000 individuals from these communities, and NGO and international sources estimating up to 20,000 individuals.

Roma and Egyptian populations tend to be concentrated in major urban centres and surrounding settlements, especially: Podgorica, which hosts a large share of Roma and Egyptian residents, particularly in peri-urban or informal settlement areas; and Nikšić, which also has a visible community from these groups.

In terms of project impact assessment, it is not anticipated that this Project would fall disproportionately on members of this ethnic group because they do not represent a majority population group in any project location. Nevertheless, as part of inclusive planning, the Social Equity Plan (SEP) identifies Roma as a potentially vulnerable group due to historical socio-economic characteristics. In accordance to Census 2023 there are around 5,600 Roma population in Montenegro whereas 30-40% lives in Municipality Podgorica in settlements Konik (Vrela Ribnička), Kamp Konik I i II, Zabjelo and Stari Aerodrom (Census 2023, MONSTAT).

When it comes to identification of vulnerable groups in the project area, in the context of any of the abovementioned groups, they are going to be identified through on-site activities and stakeholder engagement process. The sections above present the baseline and the principles which are going to be applied as the guiding mechanism for identification of vulnerable groups and/or individuals in the project area. Accordingly, outcomes of these stakeholder engagement activities are going to be duly recorded in SEP, which is going to be updated with the identified groups/individuals and implemented accordingly.

5. ENVIRONMENTAL AND SOCIAL ASSESSMENT OF THE PROJECT

The project will follow the World Bank Environmental and Social Standards (ESSs), as well as the World Bank Group Environmental, Health and Safety Guidelines. Based on these policies, the environmental and social risk of the project is categorized as moderate identified in the **World Bank Appraisal Environmental and Social Review Summary** ³⁹ **Appraisal Stage (ESRS Appraisal Stage)**.

Environmental and Social Risk Classification (ESRC)

■ Moderate

Environmental Risk Rating

Moderate

The Project's environmental risks are anticipated to be moderate. The project will provide a combination of technical assistance, support for specific regulatory and institutional reforms and investments to fund IT systems, and improve key railway level crossings. Although the long-term impacts of the Project are likely to be positive, its activities carry several risks that are mainly generated by the activities under Components 1 and 2. The moderate risk rating is justified mainly because the likely impacts will be site specific, limited to the immediate surroundings and can be managed through the implementation of cost-effective mitigation measures.

Social Risk Rating

Moderate

The social risks are rated as moderate and overall expected impacts are positive. The Project activities carry several but not any major or irreversible social risks of concern that are mainly generated by the activities under Components 1 (iI) and 2 (ii) associated with civil works related to improvement of the most unsafe Rail Level Crossings. Land acquisition is not expected, however a precautionary RPF has been prepared covering a broad spectrum of potential impacts falling under ESS5, should in the highly unlikely case some very minor land acquisition (or alignment of cadastral vs factual property data be required). The central although very constrained risks are labor and OHS risks during construction and risk from inadequate oversight whether safe labor and OHS practices are implemented on specific project locations.

Based on the project description **in the appraisal phase** of the planned activities, key environmental and social issues were related to (i) waste management of construction spoils, (ii) health and safety of workers, BCPs operating staff as well as drivers passing through the BCP during the construction phase, (iii) air and noise pollution during construction and (iv) erosion from earth works and run-off. No large scale and/or irreversible adverse impact, direct or indirect, was expected to occur from activities under the proposed project. No adverse impacts such as involuntary land acquisition, impacts on biodiversity and habitats were expected.

Due to the changes in the framework of project components, the environmental and social assessment for the updated Project will be shown in the following text. The potential environmental and social risks for the Project remain mainly associated with civil works, i.e. for the construction of customs control facility in the Free Zone Port of Bar customs terminal, construction of access roads and underpasses

³⁹ World Bank Appraisal Environmental and Social Review Summary - Appraisal Stage (**ESRS Appraisal Stage**) Date Prepared/Updated: 12/15/2022 | Report No: ESRS02425

and works related to improvement of the key railway crossings (see section 2.1). The overview of the main project features for updated project activities is shown in the Table 15:

TABLE 14 AN OVERVIEW OF PROJECT FEATURES

Feature	Details
Project Title	Railway Level Crossing (RLC) Safety Improvement Project
Component	Activities for risk assessment
1: Facilitating movement of goods across the Western Balkans Sub-component 1.2: Preparation of the technical designs for the building and purchase of equipment for the new customs inspection facility at the Port of Bar.	A1: (Complementary activity) Construction of customs control facility in the Free Zone Port of Bar customs terminal <i>(financed by other IFI)</i>
2: Enhancing transport efficiency and predictability Sub-component 2.2: The improvement of selected Railway Level Crossings (RLC) on the rail network in Montenegro	A2: Upgrade of 22 railway level crossings (RLC) (signals, barriers, surfaces, lighting) on the Podgorica–Nikšić railway line and Podgorica - Bar railway line (listed in Annex 1)
	A3: Construction of the access road along the railway from the Ždrebaonik RLC to the Sekulići RLC to eliminate Ždrebaonik RLC
	A4: Construction of vehicular - underpass Spuž with the reconstruction of the access roads to eliminate RLC Spuž
	A5: Construction of a pedestrian underpass at the Airport railway Stop on the Podgorica - Bar railway line
Land Ownership	All works on publicly owned land (railway reserve / road reserve / municipal land / port authority land)
Setting	A1: Industrial port area; A2-A5: Predominantly urbanised / peri-urban areas;
Sensitive Receptors	Some residential and commercial objects in vicinity of railway (A2-A5); no sensitive receptors near port facility (A1)
Environmental Sensitivity	Low — no significant natural habitats, protected areas, or watercourses
Overall E&S Risk (at Appraisal)	□ MODERATE

5.1. UPDATED ESS RELEVANCE SCREENING

Following is an overview of the WB E&S standards considered applicable to the TTFP and a brief explanation of their relevance in the context of the Project.

TABLE 15 ESS RELEVANT FOR THE PROJECT ACTIVITIES

ESS	Standard	A2-A5	A1	Justification
ESS1	Assessment & Management of E&S Risks	✓ Yes	✓ Yes	Overall framework; always applicable This standard guide the preparation of E&S instruments including those that have been prepared for TTFP: (i) ESMF, (ii) SEP, (iii) LMP (iv) RPF and appropriate risk assessment for individual activities implemented under the project.
ESS2	Labor & Working Conditions	✓ Yes	✓ Yes	The project will engage both direct and contracted workers. Construction workers; OHS near live rail (A2-A5); standard construction OHS (A1), Implement the LMP and require contractors to develop Code of Conduct Labor Screening and Compliance Checklist, and Monitoring and Evaluation procedures have been developed to be included as mandatory in the tender documentation providing compliance of third parties i.e. different contractors to the ESS2 requirements.
ESS3	Resource Efficiency & Pollution Prevention	✓ Yes	✓ Yes	Dust, noise, vibration, waste; potential contaminated land (railway & port land) Considering that most of the activities involve construction works, the major risk is that Contractors fail to use best practices to avoid or minimize pollution from project activities or avoid or minimize adverse impacts on human health and the environment. The site-specific ESMPs/ESMP checklists will guide contractors to implement adequate pollution prevention and management measures.
ESS4	Community Health & Safety	✓ Yes	⚠ Limited	Primary concern for A2-A5 (traffic, pedestrians); limited for A1 (industrial area, no community receptors) This ESS sets out the requirements to avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials and to have in place effective measure to address emergency events.

ESS5	Land Acquisition & Involuntary Resettlement	⚠ Limited	✓ Yes	No land acquisition (public land); Activities requiring land acquisition have been screened out. Although land acquisition is highly unlikely, a precautionary RPF has been prepared at the project level, while a site-specific RAP will be developed where needed to manage temporary access restrictions during works constituting temporary economic impacts under ESS5.
ESS6	Biodiversity Conservation	⚠ Limited	✗ No	Urbanized and industrial settings throughout The Works will be conducted exclusively within already altered physical environments, specifically at BCPs and railway crossings, which do not contain natural or critical habitats, although some are located within or adjacent to protected areas. No impacts on biodiversity or living natural resources are therefore anticipated.
ESS7	Indigenous Peoples	✗ No	✗ No	No indigenous communities identified
ESS8	Cultural Heritage	⚠ Limited	✗ No	Low probability; chance finds procedure for excavation works (A3-A5) Information available in the project appraisal phase indicated that construction works will not be carried out near any known cultural heritage sites. In the event of chance finds, the Borrower will deal with it taking into account national legal requirements, UNESCO and good international practice and ESS8.
ESS9	Financial Intermediaries	✗ No	✗ No	Not applicable
ESS10	Stakeholder Engagement	✓ Yes	✓ Yes	Adjacent residents, road users, businesses (A2–A5); port workers/operators (A1) A Stakeholder Engagement Plan including a Grievance Mechanism has been developed for this project.

5.2. PRELIMINARY IDENTIFICATION OF ENVIRONMENTAL AND SOCIAL IMPACTS OF PROPOSED SUBPROJECTS AND STANDARD MITIGATION MEASURES

The aim of this section is to describe the risks, impacts, and mitigation measures at a broad level. For subprojects, the contractors will need to assess risks and impacts at a site-specific level and propose appropriate mitigation measures.

The project setting is predominantly urbanized. There are residential and commercial objects in the vicinity of the railway at several crossing locations, but no significant environmental sensitivities have been identified — no natural habitats, watercourses, or biodiversity features of concern, although several RLC are located in or in vicinity of protected area. No indigenous peoples are present in the project area, and no land acquisition or involuntary resettlement is required, as all works take place on public land.

The Environmental and Social Risk Matrix (Tables 17 and 18) for Project has shown that the overall project risk remains Moderate. This classification reflects the fact that the project's E&S risks are **limited in number and complexity, site-specific, temporary in duration, largely reversible, and can be effectively mitigated** through standard good-practice construction management measures and proportionate E&S instruments. This categorization is assigned due to:

- ☐ impacts are mostly **temporary and localized**;
- ☐ the works are in **urbanized/industrial settings**;
- ☐ the land is **publicly owned**;
- ☐ **significant biodiversity or resettlement impacts are not expected**;
- ☐ the main risks are **well-known construction and rail/traffic safety risks**, manageable through standard but robust controls.

TABLE 16 RAILWAY SUBCOMPONENTS RISK ASSESSMENT

ID	Component / Activity	Risk / Impact	Relevant ESS	L	S	Score	Inherent Rating	Key Mitigation / Management Measures	Residual Score / Rating	Responsibility
1	All components – design and preconstruction	No Tender documents prepared with access to or use of the ESMP, ESMP Checklist or ESCOP	ESS1	2	4	8	Moderate	Tender documents prepared with access to or use of this ESMP; it shall be included in the safeguard clauses of the Technical Specifications in the contracts and commitment to comply with will be request to be signed by each prospective bidder	Low	PIU
2	All components – design and preconstruction	Unverified land use or temporary access restrictions despite works being on public land; possible informal use of verges, parking, kiosks, or access strips	ESS1, ESS5, ESS10	2	3	6	Moderate	Confirm cadastral boundaries; verify no private assets or informal users affected; document public land status; maintain access to homes/businesses; consult early	Low	PIU / Design Consultant
3	All components – stakeholder interface	Inadequate consultation/ notice leading to the communities being inadequately informed, complaints from nearby residents, road users, and local businesses	ESS10, ESS1	3	3	9	Moderate	Subproject specific implementation plan featuring the key activities from SEP; Site-specific notification before works; signage; hotline/GRM; consultations with nearby households, municipality, police, emergency services; public works schedule	Low	PIU / Contractor
4	22 RLC upgrades	Traffic disruption, diversions, congestion, and road accidents around crossing works	ESS4	3	3	9	Moderate	Traffic Management Plan; approved diversion routes; flaggers/marshals; signage and barriers; night reflectors; coordinate with traffic police; maintain safe pedestrian routes	Low	Contractor / Supervising Engineer
5	22 RLC upgrades and all rail-adjacent works	Community safety risk near active railway and open work areas	ESS4	4	5	20	High	Physical barricading; controlled work zones; rail authority coordination; no public access to track area; clear separation of pedestrians/vehicles from worksite; trained flag personnel	Moderate	Contractor / Rail Infrastructure Manager

ID	Component / Activity	Risk / Impact	Relevant ESS	L	S	Score	Inherent Rating	Key Mitigation / Management Measures	Residual Score / Rating	Responsibility
6	All works near railway	Worker OHS risk , including live rail interface, moving trains, electrical systems, heavy plant, lifting, excavation, and night work	ESS2, ESS4	4	5	20	High	Rail permit-to-work system; possession windows; method statements; OHS Plan; toolbox talks; competent supervisors; PPE; lockout/tagout where relevant; excavation protection; emergency response	Moderate	Contractor / Supervising Engineer / Railway Operator
7	Underpasses and access road RLC works	Noise and vibration near nearby houses causing nuisance and possible complaints	ESS1, ESS3, ESS4	4	3	12	Substantial	Restrict noisy works to daytime where possible; maintain equipment; use silencers; temporary barriers where close to houses; pre-notify residents; condition surveys if very close structures exist	Low	Contractor
8	RLC upgrades / road works	Dust and localized air pollution from excavation, cutting, haulage, and stockpiles	ESS1, ESS3, ESS4	3	2	6	Moderate	Water spraying; cover trucks; speed limits; maintain plant; minimize exposed spoil; clean paved roads when needed	Low	Contractor
9	RLC upgrades / road works	Gas and particulate matters emissions from vehicles, equipment and generators	ESS1, ESS3, ESS4	3	2	6	Moderate	Regular equipment maintenance; compliance with emission standards as part of the annual vehicle registration process;	Low	Contractor
10	All civil works	Construction waste and spoil mismanagement ; blocked drains; poor housekeeping	ESS1, ESS3	3	3	9	Moderate	Waste and spoil plan; approved disposal/reuse locations; segregate waste; no dumping in drains or rail corridor; regular housekeeping	Low	Contractor
11	All civil works	Fuel/oil spills and handling of hazardous materials from machinery and storage	ESS3, ESS4	2	4	8	Moderate	Bunded fuel storage; spill kits; trained operators; refueling controls; immediate cleanup procedures; disposal through licensed contractors	Low	Contractor
12	Existing railway corridor / older infrastructure	Unexpected contaminated material / old ballast contamination encountered during works	ESS1, ESS3, ESS4	2	4	8	Moderate	Pre-works screening where relevant; stop-work and sampling protocol; trained handling; segregated storage; licensed disposal if hazardous material is identified	Low	Contractor / PIU
13	Access road eliminating one crossing	Temporary loss of or difficulty in access to homes, plots, or local businesses during road construction	ESS1, ESS4, ESS10, potentially ESS5	4	3	12	Substantial	Maintain at least one safe access at all times; temporary ramps/plates/walkways; phased works; notify households in advance; grievance and response tracking	Low	Contractor / PIU

I D	Component / Activity	Risk / Impact	Relevant ESS	L	S	Score	Inherent Rating	Key Mitigation / Management Measures	Residual Score / Rating	Responsibility
1 4	Underpass + access road eliminating second RLC	Deep excavation / trench collapse / settlement / dewatering issues affecting workers, railway stability, or nearby properties	ESS1, ESS2, ESS4	4	4	16	Substantial	Geotechnical review; excavation support/shoring; monitoring of settlement; dewatering plan; work sequencing approved by rail authority; emergency response arrangements	Moderate	Contractor / Designer / Supervising Engineer
1 5	Underpass + access road	Construction- phase flooding, stormwater accumulation, and sediment-laden runoff	ESS1, ESS3, ESS4	3	4	12	Substantial	Temporary drainage; pumps; weather-response planning; silt control; maintain drainage channels; avoid stockpiles blocking runoff	Low	Contractor
1 6	Road underpass and pedestrian underpass – operation	Operational flooding / poor drainage reducing usability and creating safety risks	ESS1, ESS4	3	4	12	Substantial	Design adequate drainage and sump pumps; backup power where needed; routine cleaning; alarms/inspection system; clear O&M responsibilities	Low	Operating Agency / Municipality / Rail Authority
1 7	Pedestrian underpass	User safety, accessibility, and personal security concerns , especially for women, children, elderly persons, and persons with disabilities	ESS4, ESS10	3	4	12	Substantial	Universal access design; ramps, handrails, tactile paving, anti-slip surfaces; lighting; CCTV where appropriate; visibility/clear sightlines; regular cleaning and maintenance	Low	Designer / Operating Agency
1 8	All components	Utility relocation or accidental damage causing service interruption to nearby residents	ESS1, ESS4	3	3	9	Moderate	Utility mapping before excavation; permits; coordination with utility providers; planned shutdown notices; emergency repair arrangements	Low	Contractor / Utility Providers
1 9	All components, especially multiple site works	Emergency vehicle access disrupted by crossing closures or road diversions	ESS4	3	4	12	Substantial	Coordinate with ambulance/fire/police; maintain emergency passage or agreed detour; schedule high-impact closures in off-peak windows; real-time communication	Low	Contractor / PIU / Local Authorities
2 0	All components	Labor management issues and worker conduct , including contracts, working hours, accommodation if any, child labor/forced labor risks, and SEA/SH	ESS2, ESS4, ESS10	2	3	6	Moderate	Labor Management Procedures; worker GRM; code of conduct; age verification; training; local hiring where feasible; SEA/SH awareness and reporting channels	Low	Contractor / PIU
2 1	All components	Chance finds of archaeological/cult ural material during excavation	ESS8	1	3	3	Low	Chance Finds Procedure; stop-work protocol; notify competent authority; train site supervisors	Low	Contractor / PIU

ID	Component / Activity	Risk / Impact	Relevant ESS	L	S	Score	Inherent Rating	Key Mitigation / Management Measures	Residual Score / Rating	Responsibility
22	All components across 22 sites	Weak contractor E&S coordination/capacity leading to inconsistent implementation between sites	ESS1, ESS2, ESS4, ESS10	3	4	12	Substantial	Appoint dedicated E&S staff; use site checklists; regular audits; monthly reporting; corrective action tracker; induction for each site team	Low	PIU / Contractor / Supervising Engineer
23	Multiple simultaneous crossing works	Cumulative nuisance from several active sites at once, causing broad public frustration	ESS1, ESS10	3	3	9	Moderate	Phase works; avoid too many concurrent closures in one area; communicate consolidated schedule; monitor complaints and adjust sequencing	Low	PIU / Contractor
24	After elimination/closure of crossings	Unsafe user behavior or illegal crossing attempts if people continue trying to use old crossing paths	ESS4, ESS10	3	4	12	Substantial	Physical closure/fencing/channelization; remove old crossing access where needed; good signage; public awareness; provide convenient alternative route; initial enforcement support	Low	Rail Authority / Municipality / PIU

TABLE 17 CUSTOMS CONTROL FACILITY AT THE FREE ZONE PORT TERMINAL RISK ASSESSMENT

ID	Activity / Component	Risk / Impact	ESS	L	S	Score	Inherent Rating	Key Mitigation / Management Measures	Residual Rating
P1	Customs control facility construction in port terminal	Worker safety risk in an active industrial/logistics environment; Safety of users of port terminal while construction works are ongoing	ESS2, ESS4	3	4	12	Substantial	Site-specific OHS plan; coordination with port operator; access control; equipment movement controls; emergency procedures; PPE and supervision	Moderate
P2	Port customs facility	Construction traffic / logistics interface with port operations, trucks, and terminal users	ESS4	3	3	9	Moderate	Construction traffic plan; routing and scheduling; signage; coordination with terminal operator and customs authority	Low
P3	Port customs facility	Industrial-area pollution risks: waste, stormwater contamination, spills, and possible legacy contamination in soils/fill	ESS1, ESS3, ESS4	2	4	8	Moderate	Pre-construction site screening; spill prevention; controlled storage; proper waste management; stop-work protocol if contaminated material encountered	Low
P4	Port facility + railway works	Coordination / cumulative impact risk between WB-financed works and the other IFI-financed complementary activity	ESS1, ESS10	2	3	6	Moderate	Coordinate schedules, stakeholder communication, grievance handling, emergency response, and E&S reporting between financing parties	Low

The single most significant risk category for this project is community and worker safety, which is inherent to construction works in and adjacent to a live railway corridor in urbanized areas with road traffic and pedestrians.

The **principal risk themes** are:

a) Traffic, Workers and Pedestrian Safety at Crossings During Construction

Upgrade works at 22 crossings will temporarily alter traffic and pedestrian arrangements at each location. This creates the potential for confusion, particularly where existing barriers or signals are temporarily removed or reconfigured. The risk is managed through site-specific Traffic Management Plans prepared for each crossing before works begin, incorporating temporary traffic control, safe pedestrian routes, advance notification, and coordination with emergency services. The phased nature of the works — with each crossing typically requiring only a few weeks of active construction — limits the duration of disruption at any single location.

b) Construction Nuisance to Nearby Residents (Noise, Vibration, Dust)

Some crossings have residential houses nearby. Construction activities — particularly compaction, concrete breaking, and any piling or heavy earthworks for the underpass — will generate noise, vibration, and dust. These impacts are temporary and can be effectively managed through restricted working hours, appropriate equipment selection, water suppression for dust, vibration monitoring near the underpass site, and pre-construction building condition surveys for houses closest to the underpass excavation. Advance notification to residents is a key part of the management approach. Night works, where required for railway possessions, are managed through specific advance notification procedures.

c) Temporary Access Disruption

During works at each crossing, there may be temporary restrictions or diversions affecting residents, businesses, and road users. These are short-duration, managed through maintained access arrangements, alternative routes, and advance notification.

d) Excavation and Structural Works (Underpasses)

The vehicular and pedestrian underpasses involve deeper excavation and structural concrete works. Risks include excavation instability, confined space hazards, and potential encounter with contaminated soils on historic railway land. These are managed through geotechnical investigation, engineered shoring, confined space procedures, and contaminated land screening. During the operational phase, the underpasses require adequate drainage (with pump redundancy), lighting, and — for the pedestrian underpass — security measures.

Based on available information, the project is **not expected** to involve significant biodiversity impacts, major habitat loss, major irreversible environmental impacts, large-scale land acquisition, physical displacement or major long-term pollution effects. However, it should still be **screened and documented**, whether any informal use of public land exists, whether there are any shops, parking areas, or access strips temporarily affected, and whether any legacy rail materials could be hazardous.

Complementary Activity - Construction of customs control facility in the Free Zone Port of Bar customs terminal (financed by other IFI)

The customs control facility at the Free Zone Port is a standard building construction activity in an industrial area with no sensitive receptors. It is financed and supervised by another IFI under that institution's E&S framework. Borrower is to coordinate E&S reporting between both IFIs and to provide the Bank with periodic updates on this activity implementation. It does not elevate the overall project risk classification.

Overall Project Risk Classification — Confirmed Moderate is presented in Table 18:

TABLE 18 OVERALL PROJECT RISK CLASSIFICATION — CONFIRMED MODERATE

Dimension	Rating	Justification
Environmental Risk	☐ Low	Fully urbanized and industrial settings; no natural habitats, protected areas, significant vegetation, or watercourses affected; environmental impacts limited to standard construction nuisance (noise, dust, waste) that is temporary, localized, and readily mitigated
Social Risk	☐ Moderate	No land acquisition or involuntary resettlement (all public land); some temporary disruption to nearby residents (noise, vibration, access) and road users (traffic management during works at 22 crossings); worker safety near live railway requires attention but is manageable with established railway safety protocols; no vulnerable communities significantly affected
Overall E&S Risk	☐ MODERATE	Risks are limited in number and complexity; site-specific; temporary and largely reversible; mitigable through standard good practice measures and proportionate management plans. Only one Substantial individual risk (worker rail safety) which is effectively managed through established industry safety protocols. No High-risk issues identified

The **Moderate** risk classification means that the project's E&S risks can be adequately managed through:

- A proportionate **ESMF** (this document), including site-specific ESMP/ESMP Checklist for each works location;
- Site-specific **Traffic Management Plans**;
- **Labor Management Procedures** with railway-specific **OHS provisions**;
- **Waste Management Plans**;
- A **Stakeholder Engagement Plan** (developed for this Project);
- A **Grievance Redress Mechanism** accessible at all works locations;
- Standard management plans for **noise, vibration, dust, spills, contaminated land, and chance finds**;
- Clear **institutional arrangements** with defined responsibilities for the PIU, supervision consultant, contractor, and railway operator.

Mitigation and Management Measures for overall activities are as follows:

Pre-Construction Measures	Construction-Phase Measures	Operation-Phase Measures
▪ ES instruments included in Tender documents ▪ confirm boundaries and public land status ▪ verify absence/presence of informal users or temporary economic activities ▪ traffic planning and sequencing ▪ utility mapping ▪ consultation and public notice ▪ contractor ESMP approval ▪ site-specific method statements	▪ site fencing and public safety ▪ rail safety interface ▪ worker OHS ▪ traffic and pedestrian management ▪ temporary access maintenance ▪ dust control ▪ noise and vibration control ▪ waste and spoil management ▪ hazardous materials and spill response ▪ drainage and sediment control ▪ utility protection ▪ worker code of conduct ▪ incident reporting ▪ chance finds procedure	▪ maintenance of upgraded crossings ▪ drainage and pump maintenance for underpasses ▪ lighting, accessibility, and safety in pedestrian underpass ▪ signage and fencing after crossing closures ▪ monitoring of unsafe crossing behavior

6. PROCEDURES AND IMPLEMENTATION ARRANGEMENTS

6.1. ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT PROCEDURES

The environmental and social risk management procedures will be implemented through the Project's subproject selection process. Each proposed sub-project will undergo a systematic environmental and social screening process to determine the nature and magnitude of potential risks and impacts, and to establish the appropriate level of environmental and social assessment and management required.

The screening will be carried out in accordance with the World Bank Environmental and Social Framework (ESF), in particular ESS1, and the procedures defined in this Environmental and Social Management Framework (ESMF). The process will assess the type, scale, location, and sensitivity of the proposed activity, including potential impacts on communities, labor and working conditions, land use, biodiversity, cultural heritage, and community health and safety. Based on the screening results, each sub-project will be assigned a risk classification and the corresponding environmental and social instrument will be determined (e.g., ESMP, site-specific management plans, or other relevant instruments).

This process ensures that environmental and social risks are identified early, appropriate mitigation measures are incorporated into project design and implementation, and that all sub-projects remain consistent with the applicable requirements of the ESF and the commitments set out in the Environmental and Social Commitment Plan (ESCP). Any **subproject** screened as having a **risk level higher than moderate** will be deemed **ineligible for financing** under this Project.

The PIU will screen, monitor and report on the environmental and social performance, national legislation and ESF compliance under each subproject to ensure efficient application of measures as defined in site-specific management instruments including ESMF.

6.1.1. ENVIRONMENTAL AND SOCIAL REVIEW (STEP-BY-STEP)

The Environmental and Social assessment will follow the **5 step Process** to identify risks associated with each specific sub-projects, screen activities, identify potential impacts and define measures aimed to prevent or minimize negative impacts and determine the type of management instrument required to meet the project standards. In summary, the procedures, i.e. Subprojects **Error! Reference source not found.** Environmental and Social Screening Process (Step-by-Step) aim to do the following:

6.1.1.1. STEP 1: Subproject screening and risk classification

As a first step, all proposed activities should be screened to ensure that they are within the boundaries of the Project's eligible activities, and they are not considered as activities listed on the E&S Exclusion List enclosed below.

6.1.1.2. Exclusion List

- Located within, or significantly affects, critical habitats, legally protected areas, or areas of high ecological sensitivity (including Ramsar, Natura 2000, and UNESCO World Heritage sites);
- Involving conversion or degradation of natural forests, wetlands, or coastal ecosystems;
- Uses or produces hazardous materials, chemicals, or waste that cannot be safely managed in accordance with national regulations and World Bank ESS3;
- Requires physical displacement of people or causes economic displacement without measures compliant with ESS5 and the precautionary Resettlement Policy Framework (RPF);

- located on land subject to unresolved tenure, ownership, or use disputes;
- Employing or benefitting from any form of child or forced labor;
- Involving sectors or activities prohibited under the IFC Exclusion List (2007), such as weapons, gambling, radioactive materials, coal-related operations, or unsustainably sourced timber;
- Causing long-term, irreversible, or transboundary environmental or social impacts that cannot be mitigated to acceptable levels.
- Purchase or use of banned/restricted pesticides, insecticides, herbicides, and other dangerous chemicals (banned under national law and World Health Organization (WHO) category 1A and 1B pesticides)
- Construction of any new dams or rehabilitation of existing dams including structural and or operational changes; or irrigation or water supply subprojects that will depend on the storage and operation of an existing dam, or a dam under construction for the supply of water
- Activities that involve the use of international waterways
- Any activity affecting physical cultural heritage such as graves, temples, churches, historical relics, archeological sites, or other cultural structures
- Activities that may cause or lead to forced labor or child abuse, child labor exploitation or human trafficking, or subprojects that employ or engage children, over the minimum age of 14 and under the age of 18, in connection with the project in a manner that is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral, or social development
- Any activity that will cause physical relocation of households or will require the use of eminent domain
- Any activity with significant environmental and social risks and impacts that require an Environmental and Social Impact Assessment (ESIA)

Environmental and social assessment of subprojects will be conducted to all relevant activities, proportionate to their risks and impacts to inform the design of the project, and to identify mitigation measures and actions. The Environmental and Social Screening Questionnaire – Screening form (ESSQ) (template provided in Annex 4) will be revised for specific projects if needed, and **shall be completed by the Consultant**⁴⁰ *for Tender preparation, Technical Control of Designs and Supervision of railway level crossings improvements and construction of underpasses, access road and pedestrian underpass* (in further text - Consultant). Consultant is to carry out the detailed environmental and social screening and conduct the risk assessment with proposal of corresponding mitigation measures, in line with the World Bank Environmental and Social Framework (ESF), the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF), the Stakeholder Engagement Plan (SEP), the Labor Management Procedures (LMP) and national legislation.

The **Consultant** is required to supervise the works and provide monthly monitoring reports on E&S performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the PIU. The **PIU E&S Specialists** will submit bi-annual reports to the Bank throughout Project implementation, commencing after the Effective Date. E&S Specialist are tasked to prepare and implement an Environmental and Social Management Framework (ESMF) for the Project, consistent with the relevant ESSs, site specific risk management plans commensurate to the activity specific risks (ESMP, ESMP Checklist) as set out in the ESMF. Prepared ESMP/ESMP checklist should be incorporated to the respective bidding documents.

⁴⁰ The PIU has launched a tender for selection of Consulting Services for Tender preparation, Technical Control of Designs and Supervision of railway level crossings improvements and construction of underpasses and access roads which is expected to be awarded in May 2026. The Consultant shall also assess whether the proposed closure of three railway level crossings and the construction of two underpasses and an access roads maintain the same or improved level of accessibility, particularly for vulnerable groups. All findings shall be included in the Inception Report.

Once the ESSQ has been satisfactorily completed, **the E&S Screening report will be submitted to the WB by PIU and its E&S Specialists together with the proposed decision on the category of the subproject/activity.** The final decision requires **endorsement of the World Bank.**

The Environmental and Social Screening questionnaires comprises four parts:

- (1) **Subproject Information:** Subproject title, location, Institutions in charge, estimated cost, start/completion date; Annexes for all additional information can be supplemented if necessary.
- (2) **Project eligibility criteria:** includes questions that should assist in determining whether the project in question is eligible for funding.
- (3) **Basic information on subproject, and**
- (4) **Environmental and Social Screening Questionnaires:** includes a series of questions on potential environmental and social impacts covering all ESS 1-10, with two possible answers: "yes" or "no".

After reviewing the ESSQ, the screening will result in the project being classified in one of the following categories:

TABLE 19 SUBPROJECT CATEGORY CLASSIFICATION

Category	Risk Level	Decision
1	Low Risk project (with negligible environmental and social impacts for which an environmental impact assessment is not necessary)	Eligible for financing. No additional environmental and social assessment necessary. SEP to be implemented.
2	Moderate Risk project (project is expected to be of manageable, easy to envisage, temporary and of local impacts)	Eligible for financing. It is necessary to develop a Checklist ESMP or ESMP . Public Consultations are mandatory and SEP to be implemented.
3	Substantial Risk project (with potential and very significant or irrevocable environmental and social impacts, whose size is difficult to determine in the project identification phase)	Not eligible for financing.
4	High Risk project (likely to have highly significant, diverse, and/or long-term adverse impacts on human health and natural environment, the magnitude of which is difficult to determine at the subproject identification stage. These impacts may also affect an area broader than the subproject sites. Measures for mitigating such environmental risks may be complex and costly. Specific for this Project, but not limited to, the high-risk activities include: • Construction of substantial new railway lines (new routes); • Construction of small new lines such as bypasses, connections, and similar in sensitive and valuable natural areas, those causing fragmentation of habitats; • Other causing significant adverse impact to sensitive and valuable natural areas.	Not eligible for financing.

6.1.1.3. STEP 2: Sub-Project Preparation

Based on the risk screening results and proposed risk rating and instruments of choice, both confirmed by the Bank, the **Consultant will prepare necessary documentation for Sub-Project** implementation including, technical documentation, permits and approvals issued by competent bodies related to the implementation of the subproject, management plans, as well as the schedule of works.

6.1.1.4. STEP 3: Preparation of ESMP or ESMP Checklist, disclosure and public consultation

The ESMP/ ESMP Checklist are to be prepared for each individual subproject, prior to bidding procedures, by the Consultant, and shall be subject to PIU (E&S Specialists) review and approval of the WB. For ongoing subprojects, independent E&S Audits in accordance with ESS1 will be carried out by an independent third-party consultant. The selection of the consultant shall be determined on a case-by-case basis, in consultation with the World Bank, and shall be commensurate with the complexity of the subject matter being assessed.

ESMP/ESMP Checklist and E&S Audit Reports shall be publicly disclosed, and public consultations conducted. The documents shall be disclosed on MoT website and websites of local Municipalities. It is the responsibility of PIU to organize disclosure of subject documents, announce calls for public consultations in media and on local municipality level, prepare and perform presentation of the sub-projects and its environmental and social aspects in line with the Project Level SEP. The documents will be accompanied by a call for public consultations (in electronic format and in print media). Submission of comments from interested parties will be done electronically and in writing within a given defined deadline (minimum two weeks). Printed copies of the documents will be available for review at selected locations in accordance with the SEP.

By the end of the disclosure period, the public consultation meetings for the ESAs shall be conducted, inviting stakeholders and the general public to proactively participate. Sufficient information about the potential risks and impacts of the project should be disclosed in a timely manner, in an accessible place, and in a form and language understandable to project-affected parties and other interested parties as set out in SEP and ESS10, so they can provide meaningful input into project design and mitigation measures. Consultations will be held at the location closest to the project implementation site in line with the requirements of the Stakeholder Engagement Plan (SEP), which has been developed as a separate document for the project.

All comments and questions shall be processed and together with feedback incorporated in the final version of the Environmental Assessments - ESAs (ESMP, ESMP Checklist, E&S Audit) and captured in the minutes of the meeting. The disclosure and consultation shall be guided by the project SEP and subsequent SEPs and consider potential limitations to traditional engagement.

The PIU will submit such final document to the WB with the confirmation of re-disclosure, and a location where documents can be accessed.

6.1.1.5. STEP 4: Integration of ESMP and Checklist ESMP in tender documents

The ESAs will be prepared prior to the bidding of works and the TSU will be responsible to integrate final version into tender documents for the selected subprojects and in the contracts for their execution to be signed with the selected works contractors. The Contract agreements, shall impose the Contractor's obligation to comply with the requirements specified in the ESAs. The Contractors will be required to demonstrate that all mitigation measures have been accounted for to ensure subproject implementation in environmentally and socially acceptable manner.

Standard Bidding Documents of the WB for Procurement of Works as updated in January and October 2017 and revised in July 2019 and further updated in January 2020 already contain clauses for enhancement of environmental, social, health and safety performance. Additional sample clauses to be included in the Particular Conditions, including requirements for ESHS staff to ensure the successful implementation of ESMPs by the Contractors.

6.1.1.6. STEP 5: Implementation, project supervision, monitoring and reporting

Implementation of mitigation measures and environmental and social monitoring is an obligation of the Contractor compliant to ESMP and ESMP Checklist. The **Supervision Engineer** (compliant to the Standard conditions of contract (i.e. FIDIC Yellow book and FIDIC Red Book or MDBH Harmonized edition (Pink book)) and the PIU specialists, alongside other routine activities, shall supervise the Contractor's Environmental and Social performance and verify compliance with E&S Instruments. The overall implementation and compliance responsibilities lie with the MoT. The PIU (E&S Specialists) will report on ESAs implementation and E&S (ESF, national regulation, and EHSG) compliance to WB in Progress Reports, while sub-project ESAs implementation reporting will be semi-annual, unless differently agreed with the WB E&S specialists.

At a minimum, **the reporting** will include (i) the overall implementation of E&S risk management instruments and measures, (ii) any environmental or social issues arising as a result of project activities and how these issues will be remedied or mitigated, including timelines, (iii) Occupational Health and Safety performance (including incidents and accidents), (iv) community health and safety, (v) stakeholder engagement updates, in line with the SEP, (vi) public notification and communications, (vii) progress on the implementation and completion of project works, and (viii) summary of grievances/beneficiary feedback received, actions taken, and complaints closed out, in line with the SEP.

Last, if the PIU becomes aware of a serious **incident** in connection with the project, which may have significant adverse effects on the environment, the affected communities, the public, or workers, it should notify the World Bank within 48 hours of becoming aware of such incident.

6.1.2. STANDARDIZED ENVIRONMENTAL AND SOCIAL MANAGEMENT PLANS (ESMP)

An ESMP consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a project to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. The Borrower will (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements. See Annex 5 for ESMP template and Annex 5A for Generic ESMP table.

The content of the ESMP will include the following:

(a) Mitigation

- The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse environmental and social impacts to acceptable levels. The plan will include compensatory measures, if applicable. Specifically, the ESMP: (i) identifies and summarizes all anticipated adverse environmental and social impacts (including those involving involuntary resettlement); (ii) describes—with technical details—each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; (iii) estimates any potential environmental and social impacts of these measures; and (iv) takes into account, and is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, indigenous peoples, or cultural heritage).

(b) Monitoring

- The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides (a) a specific description, and

technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

(c) Capacity Development and Training

- To support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level.
- Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training).
- To strengthen environmental and social management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

(d) Implementation Schedule and Cost Estimates

- For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.

(e) Integration of ESMP with Project

- The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the costs of so doing will be integrated into the project's overall plan.

The ESMPs provisions will be **integrated into the tender documents for respective Subprojects**, and, shall be appended to the contract and itemized in the specifications and bills of quantities. Bidders will be required to include the costs of the ESMP requirements in their financial bids and to adhere to them during the implementation of project activities. Specifications ensuring effective implementation of environmental, social, health and safety performance criteria by the selected bidder should be provided, including an obligation to inform the communities representatives and PIU of any incidents involving community members or contract and subcontract workers.

6.1.3. ESMP CHECKLIST

ESMP checklist will be used for the plain, less risky sub projects that usually only involve modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar. ESMP checklist provides “pragmatic good practice” and it is designed to be user friendly and compatible with WB safeguard requirements. This document will help assess potential environmental impacts associated with the proposed sub-project, identify potential environmental improvement opportunities and recommend measures for the prevention, minimization and mitigation of environmental and social impacts. Please, refer to Annex 6 for ESMF Checklist template.

ESMP Checklist is a document prepared by PIU and Consultant prior to tendering, and thereafter implemented throughout the Project implementation. The design and implementation process for the envisaged subproject will be conducted in three parts:

Part 1. General identification and scoping phase. Describes the sub-project specifics in terms of physical location, the institutional and legislative aspects, the project description, inclusive of the need for a capacity building program and description of the public consultation process.

Part 2. Includes the environmental and social screening in a simple Yes/No format followed by mitigation measures for any given activity type.

Part 3. Monitoring plan for activities during project implementation. It retains the same format required for standard World Bank EMPs.

The ESMP Checklist presents the envisaged environmental impacts and offers the best operational practice for discharge control (i.e. dust, noise, and gas residues), management of hazardous and non-hazardous materials and solid wastes originating from activities in the construction/repair site. The ESMP Checklist also deals with the steps to be undertaken during the construction phase if objects of cultural / archeological significance are found (chance finds) during earthworks. The steps to be followed in while preparing the ESMP Checklist are given below:

General identification and scoping phase. At this point works needed are identified and environmental and social screening is implemented to the selected works hence main potential adverse impacts to the environment (nature and human) are identified. At this stage, Parts 1, 2 and 3 of the ESMP Checklist are drafted. Part 2 of the ESMP Checklist can be used to select typical activities from a “menu” and relate them to the typical environmental issues and mitigation measures.

Detailed design and tendering phase, including specifications and bills of quantities for individual activities by integrating the environmental provisions in tabular format. This phase also includes the tender and award of the works contracts. This phase finally defines the contractual obligations of the Contractor on environmental measures to be taken during the construction/repair process. Parts 2 and 3 of the ESMP Checklist are intended to be included in a bidding documentation for the contractor. The ESMP Checklist should be disclosed publicly at the tendering stage.

Implementation phase. During the implementation phase environmental compliance and other qualitative criteria are checked on the respective site by the Supervising Engineer. The mitigation measures in Part 2 and monitoring plan in Part 3 are the basis to verify the Contractor’s compliance with the required environmental provisions.

The Template ESMP Checklist has been prepared for the purpose of this ESMF and is provided in the Annex 6 of this ESMF document.

ESMPs Checklist provisions will form part of the design documents for the project, and, will be included in contracts for selected subprojects, both into specifications and bills of quantities. Respectively the Contractors will be required to include the cost of ESMP Checklist requirements in their financial bids and required to comply with them while implementing the project activities.

6.1.4. MONITORING AND REPORTING

The project implementation will be carried out by the Project Implementation Unit (PIU), which was established within the former Ministry of Capital Investments and is now under the coordination of the Ministry of Transport (MoT). The PIU shall monitor the implementation of this Framework, both at overall Program level and individual subproject level. The Consultant will be responsible for supervision of works at the Project locations and to report to PIU on monthly basis. The Project will deploy third party external monitoring to ensure strong environmental and social sustainability of the project, including ESF and national legislation compliance during the Project implementation. In

addition, the PIU is strengthened with a part-time Environmental Specialist (ES), and a part-time Social Specialist (SS).

The PIU shall ensure that the implementation of the project is according to the environmental and social requirements as given in the developed, adopted, disclosed and consulted this ESMF, SEP, LMP and RPF and in accordance with sub-project specific Environmental and Social Management Plans (ESMPs) or ESMP checklist to be developed (as envisaged under ESMF), and included in the Works bidding documents after public consultation and clearance from the Bank;

The PIU will screen, monitor (including on-site monitoring, as needed) and report on the environmental and social performance, national legislation and ESF compliance under each subproject and ensure efficient application of measures as defined in site-specific management instruments including ESMF/ESMF checklist, respective monitoring plans, environmental permits and that Contractors comply with their contractual obligations.

ESMP/ESMF Checklists are to be developed site specifically and in necessary detail, defining clear mitigation measures and monitoring which can be included in the works contracts, which reflect the status of environmental practice on the working site and which can be observed/measured/quantified/verified by the supervisor during the works. Those would be updated and revised during the design process to practically reflect key mitigation and monitoring criteria which can be checked during and after works for compliance assurance and ultimately the Contractor's remuneration. Supervision of sub-project implementation involves implementation of all measures defined in the ESA including the monitoring plan.

The PIU shall establish and maintain records on dissemination of information and engagement of all stakeholders in accordance with the SEP. A separate **Stakeholder Engagement Plan** (SEP) has been prepared for the Project, based the World Bank's Environmental and Social Standard 10 on Stakeholder Engagement.

The PIU will **report** on a regular basis to WB on subproject screening, ESMP development and monitoring results, as set in the ESCP i.e., by submitting a bi-annual reports throughout Project implementation, commencing after the Effective Date no later than 30 days after the end of each reporting period, and monthly reports after commencement of the construction phase of the projects. In the case of significant accidental situations, the PIU will notify and report on the occurrence promptly.

6.1.5. LABOR MANAGEMENT

The Project will not engage massive workforce, as the civil works under the project are very small scale. The Project has adopted a self-standing **Labor Management Procedures (LMP) based the World Bank's Environmental and Social Standard** setting forth standards to be complied with throughout the Project. The PIU housed under MoT will be responsible to implement this labor management procedure to direct workers and ensure third parties employing or engaging contracted workers apply these alike.

The World Bank Requirements describes the labor categorization for projects financed by World Bank. According to such categorization, project workers include:

- **Direct workers** (Ministry staff involved in the project (civil servants) and external consultants for E&S issues, to be hired for Project purposes)
- **Contracted workers** (workers of companies which would provide services under Component1 and 2, such as construction activities).

Contractors (companies which would provide services) would be required to comply with the current legislation on labor and safety at work and to the requirements prescribed in this Framework.

It is the responsibility of the Contractor to ensure the proper execution of works and labor management compliance, according to measures prescribed in the related ESMP and the LMP, and in line with national and international standards. Contractors' labor management compliance with local legislation requirements related to labor and safety at work would be monitored based as described in LMP developed for this project. In case any irregularities are identified based on such reports or the project grievance redress mechanism, the PIU would notify the responsible Labor Inspection.

6.2. IMPLEMENTATION ARRANGEMENTS

At the regional level, the Secretariat for Transport Community Treaty (TCT) will play the role of the regional coordination and liaison office for Montenegro, for all the transport related dimensions of the project. The CEFTA Secretariat will play the same role for the trade elements of the proposed project. These arrangements will be complemented, during project implementation by periodic workshops, activities at the regional level, to foster coordination and sharing of the lessons/experiences. The European Union, through WBIF and CONNECTA technical assistance, will also be informed and invited to the coordination workshops. Sustainable corridor performance monitoring indeed requires appropriate regional-level institutional arrangements and secure financing.

Project operational structure is complex, since there is large number of parties participating in the Project implementation. The Ministry of Transport (MoT) of Montenegro is responsible for the management and supervision of the project. Project operational structure include World Bank – International Bank for Reconstruction and Development (IBRD), Ministry of Transport (MoT), Ministry of Finance (MoF), Technical Services Unit (TSU), Project Steering Committee (PStC), Project Coordinator (PC), Project Implementation Unit (PIU), Focal Points (FP), Ministry of Interior (MoI), Ministry of Maritime Affairs (MoMA), The Customs Administration (CA), Port Authority of Bar, Railway Infrastructure of Montenegro (RIoM), Stakeholder municipalities, and Contractor(s) for works and goods/Consultant(s) for services. The fiduciary arrangements will be implemented by the Technical Service Unit (TSU) within the Ministry of Finance (MoF).

At the national level, the institutional arrangement for project implementation agreed with participating beneficiary in phase 2 is that Project Implementation Units (PIU) will be a standalone entity anchored within Ministry of Transport (MoT) and will have primary responsibility for project execution ensuring that the project development objectives are met. PIU will have the overall responsibility for project implementation and ensuring that financial resources are budgeted, disbursed, expended, accounted and audited. Environmental and Social Specialists in close cooperation with the Project Manager, PIU's staff and other stakeholders will be responsible to oversee the preparation of site-specific instruments, the public disclosure of these instruments and their subsequent implementation, to provide guidance and advice to third parties where such have been engaged to undertake site specific due diligence and ensuring that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this ESMF, Environmental and Social Commitment Plan (ESCP), Resettlement Policy Framework (RPF), Project Level Stakeholder Engagement Plan (SEP) and Labor Management Procedures (LMP) in a manner acceptable to the World Bank. In addition to the project specific arrangements, implementation of trade facilitation activities will also be supported by existing inter-ministerial coordination mechanisms, namely the National Trade Facilitation Committees (NTFCs) established in line with regional (CEFTA) and multilateral (WTO) trade facilitation commitments.

6.3. TIMELINE AND BUDGET

The Project will be implemented over a period of 5 years. The total envelope for Phase 2 is \$50 million, of which \$15 million from the IBRD credit line for WBTTFP project in Montenegro and EUR 9.5 million from the SSTP grant. This phase will aim to deepen multi-sectoral engagement which is being built on Phase 1 to reduce trade costs and increase transport efficiency as a long-term priority with sustained high-level commitment and a broad set of stakeholders.

6.4. PUBLIC CONSULTATION PROCESS

The WB standard on Stakeholder Engagement and Information Disclosure 10 (“ESS10”) recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the E&S sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

Pursuant to the World Bank requirements, stakeholder engagement is an inclusive process implemented throughout project life-cycle, and it is most effective if launched at early stage of project development. Engagement should begin as early as possible at project preparation, as timely identification of and consultation with the stakeholders enable views and opinions of these groups to be taken into account in the project design and implementation.

The ESF risk management framework instruments prepared and adopted for the Parent Project were disclosed to the public on December 16, 2022 through the website of the Ministry of Capital Investments. The Set of documents disclosed and consulted comprised the ESMF; ESCP, SEP, RPF and LMP. The minutes from the public hearing with an accompanying list of participants and photographs is included in Annex D. The update Package of ESF instruments (i.e. ESMF, ESCP, LMP, RPF and SEP) will be disclosed electronically at the following websites:

- the website of the MOT (<https://www.gov.me/msa>)
- the website of Railway Infrastructure of Montenegro (www.zicg.me)
- the websites of Municipality of Bar
- the websites of City of Podgorica
- the website of Municipality of Niksic
- The website of the Municipality of Zeta
- World Bank`s website
- Through social media campaigns, and will be announced via various media, newspaper and radio at least 2 weeks ahead of the scheduled consultation dates.

In addition to the abovementioned public consultation process, the client implemented a round of public consultations upon update of the overall E&S documentation in 2026. The update was made in order to ensure that the documentation reflects the up to date project planning, and thus the updated E&S documentation was disclosed via Railway Infrastructure of Montenegro (ŽICG) website (documentation available at the following link: <https://zicg.me/projekti/informacije/es-dokumenti-ttfp-projekta/pi-MjhiYwuj>) , while the consultations included meetings with the relevant national and local institutions and local communities. Meeting minutes from this stakeholder engagement process are available in Annex 10.

Additional efforts will be made to provide the key institutional stakeholders with electronic copies of the documents for review and feedback. Printed copies will be made available at PIU premises. During Project Implementation any of the documents disclosed during preparation, if updated shall be re-disclosed and public consultations held. Site specific management instruments developed to manage environmental and social risk and impacts such as Environmental and Social Management Plans (ESMPs), Resettlement Action Plans (RAP) in the unlikely event, will be disclosed in the same manner as the ESF package.

Contractor’s documents related to management of environmental and social risks (these may include traffic Management Plan, Emergency preparedness and response plans, Codes of Conduct for Employees and Contracted workers etc.) shall be made available at Contractors website. Information on timing of project activities and related information shall be made public via various media, newspaper and radio at least 2 weeks prior to actual execution.

6.4.1. STAKEHOLDER ENGAGEMENT APPROACH

While the above-described disclosure process ensures compliance with ESS10 requirements, the current stage of the project calls for a more detailed and updated stakeholder engagement approach. Given that

the initial consultations were conducted several years ago and that the project scope has since evolved, it is necessary to re-engage stakeholders in a structured and targeted manner.

In line with the disclosure requirements and stakeholder engagement principles described above, the stakeholder engagement process for this project will be implemented through a structured approach to public consultations.

ANNEXES

1	<i>Annex 1: The list of Level crossings (LCs), their current security and proposed project activities</i>
2	<i>Annex 2: Photo documents of RLCs for upgrade and reconstruction</i>
3	<i>Annex 3: Exclusion list</i>
4	<i>Annex 4. Screening Form</i>
5	<i>Annex 5: Environmental and Social Management Plan (ESMP) Template</i> <i>Annex 5A: Generic Environmental and Social Management Plan for the Project – table (Part of the ESMP)</i> <i>Annex 5B: ESMP Template Monitoring Plan</i>
6	<i>Annex 6: Template for ESMP Checklist - example</i>
7	<i>Annex 7: Chance Find Procedures</i>
8	<i>Annex 8: Public consultations in 2022</i>
9	<i>Annex 9: Environmental and Social Codes of Practice (ESCOP)</i>

ANNEX 1: THE LIST OF LEVEL CROSSINGS (LCS), THEIR CURRENT SECURITY AND PROPOSED PROJECT ACTIVITIES

TABLE 20: 22 LEVEL CROSSINGS

TASK 1 - Increasing the safety level, reconstruction and improvement of 22 level crossings on the Podgorica–Nikšić railway line and Podgorica-Bar railway line					
No	Railway level crossing	Road crossing station	Railway/Section of railway	Safety level ⁴¹	Future State of Signaling / Expected activities
1	Cijevna	411+670	Podgorica – Bar	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
2	Mahala	414+241	Podgorica – Bar	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
3	Kličevo	2+082	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
4	Dabovići	14+364	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
5	Požar Ostrog	17+114	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Civil works: procurement, transportation and installation of rubber panels. Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
6	Šobajići	21+014	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
7	Bare Šumanovića	22+681	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated

⁴¹ 2026 Network Statement issued by Railway infrastructure of Montenegro (ŽICG) - there are 35 level crossings on the railway network managed by ŽICG. 22 LCSs fall under the scope of the Project.

TASK 1 - Increasing the safety level, reconstruction and improvement of 22 level crossings on the Podgorica–Nikšić railway line and Podgorica-Bar railway line

No	Railway level crossing	Road crossing station	Railway/Section of railway	Safety level ⁴¹	Future State of Signaling / Expected activities
					technology, as well as regulation of traffic signaling and a freedom detection system.
8	Slap	26+426	Nikšić - Podgorica	Light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
9	Sekulići	34+938	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
10	Kopito Petrovića	36+588	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
11	Kruščice	37+595	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
12	Ljutotuk	38+209	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
13	Martinići	39+013	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
14	Prentina glavica	40+255	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
15	Podglavica	42+118	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
16	Burum	42+906	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.

TASK 1 - Increasing the safety level, reconstruction and improvement of 22 level crossings on the Podgorica–Nikšić railway line and Podgorica-Bar railway line					
No	Railway level crossing	Road crossing station	Railway/Section of railway	Safety level⁴¹	Future State of Signaling / Expected activities
17	Šunjine	44+715	Nikšić - Podgorica	Light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
18	Pričelje	45+879	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
19	Donje šume	46+765	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
20	Laze Radevića	48+124	Nikšić - Podgorica	Traffic signs on the road and zone of required visibility	Signaling method: Traffic signs on the road and zone of required visibility, half-barriers Activities: It is necessary to make a road crossing with light and sound signaling, video surveillance and associated technology, as well as regulation of traffic signaling and a freedom detection system.
21	Duklja	51+586	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.
22	Zagorič 2	52+689	Nikšić - Podgorica	Bumpers, light and sound signaling	Signaling method: Half barriers, light and sound signaling Activities: Modernization of insurance, regulation of traffic signals, video surveillance, freedom detection system and similar.

TABLE 21 CONSTRUCTION OF TWO UNDERPASSES AND THE ALTERNATIVE ROADS

TASK 2 - Construction of one underpass and alternative roads to eliminate two railway crossings on the Nikšić–Podgorica railway line and construction of the Pedestrian Underpass at the Airport Railway Stop				
No	Railway level crossing	Road crossing station	Railway/Section of railway	Description of expected activities
1	Ždrebaonik	35+419	Nikšić - Podgorica	Construction of the access road along the railway from the Ždrebaonik road crossing to the Sekulići road crossing
2	Mlin-Spuž	44+114	Nikšić - Podgorica	Construction of the Spuž underpass with the reconstruction of the access roads

TASK 2 - Construction of one underpass and alternative roads to eliminate two railway crossings on the Nikšić–Podgorica railway line and construction of the Pedestrian Underpass at the Airport Railway Stop

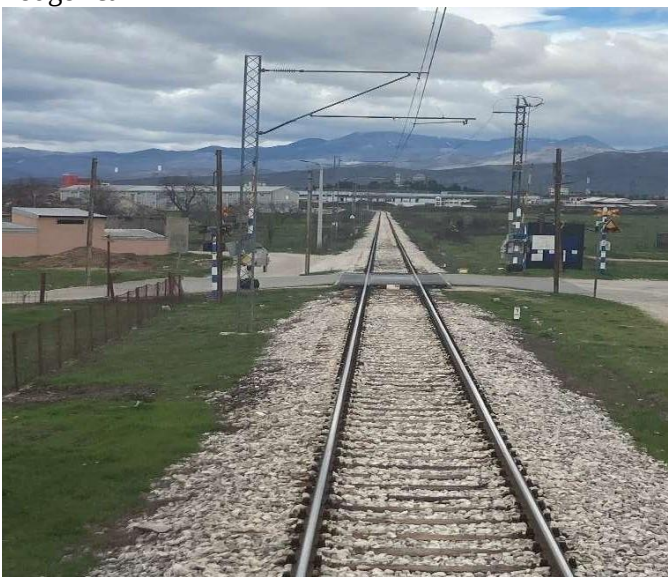
No	Railway level crossing	Road crossing station	Railway/Section of railway	Description of expected activities
3	Aerodrom (Letisko Polje)	968M+4R3	Podgorica – Bar	Construction of a pedestrian underpass at the Airport Railway Stop on the Podgorica - Bar railway line

ANNEX 2: PHOTO DOCUMENTS OF RLCS FOR UPGRADE AND RECONSTRUCTION

Component 2 (ii)

Task 1: Increasing of the safety level, reconstruction and improvement of 22 level crossings on the Podgorica–Nikšić railway line and Podgorica - Bar railway line

No.	Railway level crossing	View 1	View 2
1	Cijevna km 411+670	Podgorica - Bar 	Bar - Podgorica 

2	Mahala km 414+241	Podgorica - Bar 	Bar - Podgorica 
3	Kličev okm 2+082	Nikšić - Podgorica 	Podgorica - Nikšić 

4	Dabovići km 14+364	Nikšić - Podgorica 	Podgorica - Nikšić 
5	Požar - Ostrog km 17+114	Nikšić - Podgorica 	Podgorica - Nikšić 

6	Šobajići km 21+014	Nikšić - Podgorica 	Podgorica - Nikšić 
7	Bare Šumanovića km 22+681	Nikšić - Podgorica 	Podgorica - Nikšić 

8	Slap km 26+426	Nikšić - Podgorica 	Podgorica - Nikšić 
9	Sekulić ikm 34+938	Nikšić - Podgorica 	Podgorica - Nikšić 

10.	Kopito Petrovića km 36+588	Nikšić - Podgorica 	Podgorica - Nikšić 
11.	Krušćice km 37+595	Nikšić - Podgorica 	Podgorica - Nikšić 
12.	Ljutotuk	Nikšić - Podgorica	Podgorica - Nikšić

	km 38+209		
13.	Martinići km 39+013	Nikšić - Podgorica 	Podgorica - Nikšić 
14.	Prentina glavica	Nikšić - Podgorica	Podgorica - Nikšić

	km 40+255		
15.	Podglavica km 42+118	Nikšić - Podgorica 	Podgorica - Nikšić 

16.	Burum km 42+906	Nikšić - Podgorica 	Podgorica - Nikšić 
17.	Šunjine km 44+715	Nikšić - Podgorica 	Podgorica - Nikšić 

18.	Pričelje km 42+082	Nikšić - Podgorica 	Podgorica - Nikšić 
19.	Donje šume km 45+879	Nikšić - Podgorica 	Podgorica - Nikšić 

20.	Laze Radevićakm 48+124	Nikšić - Podgorica 	Podgorica - Nikšić 
21.	Duklj akm 51+586	Nikšić - Podgorica	Podgorica - Nikšić

				
22.	Zagorič 2 km 52+689	Nikšić - Podgorica 		Podgorica - Nikšić 

Task 2: Locations of underpass in Spuž, alternative road along the railway from the Sekulići road crossing to the Ždrebaonik road crossing on the Nikšić–Podgorica railway line and a Pedestrian Underpass at the Airport Railway Stop with photo documentation of the current state on site

No.	Site location	View 1	View 2
1	Access road from the Sekulići road crossing to the Ždrebaonik road crossing	Podgorica - Nikšić 	 Nikšić - Podgorica

2	Spuž underpass	Podgorica - Nikšić 	Nikšić - Podgorica 

3	Aerodrom stop	Podgorica - Bar  	Bar - Podgorica  
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ANNEX 3. EXCLUSION LIST

- Located within, or significantly affects, critical habitats, legally protected areas, or areas of high ecological sensitivity (including Ramsar, Natura 2000, and UNESCO World Heritage sites);
- Involving conversion or degradation of natural forests, wetlands, or coastal ecosystems;
- Uses or produces hazardous materials, chemicals, or waste that cannot be safely managed in accordance with national regulations and World Bank ESS3;
- Requires physical displacement of people or causes economic displacement without measures compliant with ESS5 and the precautionary Resettlement Policy Framework (RPF);
- located on land subject to unresolved tenure, ownership, or use disputes;
- Employing or benefitting from any form of child or forced labor;
- Involving sectors or activities prohibited under the IFC Exclusion List (2007), such as weapons, gambling, radioactive materials, coal-related operations, or unsustainably sourced timber;
- Causing long-term, irreversible, or transboundary environmental or social impacts that cannot be mitigated to acceptable levels.
- Purchase or use of banned/restricted pesticides, insecticides, herbicides, and other dangerous chemicals (banned under national law and World Health Organization (WHO) category 1A and 1B pesticides)
- Construction of any new dams or rehabilitation of existing dams including structural and or operational changes; or irrigation or water supply subprojects that will depend on the storage and operation of an existing dam, or a dam under construction for the supply of water
- Activities that involve the use of international waterways
- Any activity affecting physical cultural heritage such as graves, temples, churches, historical relics, archeological sites, or other cultural structures
- Activities that may cause or lead to forced labor or child abuse, child labor exploitation or human trafficking, or subprojects that employ or engage children, over the minimum age of 14 and under the age of 18, in connection with the project in a manner that is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral, or social development
- Any activity that will cause physical relocation of households or will require the use of eminent domain
- Any activity with significant environmental and social risks and impacts that require an Environmental and Social Impact Assessment (ESIA)

ANNEX 4. SCREENING FORM

The example screening form below goes through each ESS and asks the Borrower whether sub-project activities will result in certain key environmental and social impacts. Based on these, it instructs the Borrower which management plans to prepare and/or use. **For every specific project, there are additional risks that may need to be considered under different ESSs.** The Screening Form is meant to exclude certain activities, for example, any activity that may pose significant or high risk, degrade critical habitats or involve physical displacement.

The E&S Screening procedure comprises of two stages-process: (1) Initial screening by using the **Exclusion List in Chapter 6.1.1.2 and Annex 3 of the ESMF**; and (2) Screening the proposed activities to identify the approach for E&S risk management. This Screening Form is the second stage of screening process and is to be used for all subproject activities. The completed forms will be signed and kept in the Project ESF file. The World Bank may review a sample of the forms during implementation support visits.

1. Subproject Information:

Subproject Title	
Subproject Location	
Project ID	
Estimated Cost	
Start/Completion Date	
Brief Description of Subproject	

2. Environmental and Social Screening Questionnaires

Questions	Answer		Next Steps
	Yes	No	
ESS1			
1. Is the subproject likely to have significant adverse environmental impacts that are sensitive and unprecedented that trigger the 'Ineligible Activities' or other exclusion criteria?			If "Yes": Exclude from project.
2. Does the subproject involve <u>new construction or significant expansion</u> roads (including access roads), or underpasses?			If "Yes": 1. Prepare a site-specific E&S Assessment and/or ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
3. Will construction or renovation works require new borrow pits or quarries to be opened?			If "Yes": 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
4. Does the project lead to any risks and impacts on, individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable. ⁴²			If "Yes": Apply relevant measures described in the ESMF and SEP.

⁴² "Disadvantaged or vulnerable" refers to those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or ethnic peoples status, and/or

Questions	Answer		Next Steps
	Yes	No	
ESS2			
5. Does the subproject involve uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor?			If “Yes”: Exclude from project.
6. Does the subproject involve recruitment of workforce including direct, contracted, primary supply, and/or community workers?			If “Yes”: Apply LMP
7. Will the workers be exposed to workplace hazards that needs to be managed in accordance with local regulations and EHSGs? Do workers need PPE relative to the potential risks and hazards associated with their work?			If “Yes”: Apply LMP
ESS3			
8. Is the project likely to generate solid or liquid waste that could adversely impact soils, vegetation, rivers, streams or groundwater, or nearby communities?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
9. Do any of the construction works involve the removal of asbestos or other hazardous materials?			If “Yes”: Apply asbestos guidance provide in the ESCOP
10. Are works likely to cause significant negative impacts to air and / or water quality of water bodies such as rivers, lakes, streams, wells, etc.?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
11. Does the activity rely on existing infrastructure (such as discharge points) that is inadequate to prevent environmental impacts?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
12. Will the project activities produce excessive noise and vibrations?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
ESS4			
13. Is an influx of workers, from outside the community, expected? Would workers be expected to use health services of the community? Would they create pressures on existing community services (water, electricity, health, recreation, others?)			If “Yes”: Apply LMP
14. Is there a risk that SEA/SH may increase as a result of project works?			If “Yes”: Apply LMP
15. Would any public facilities, such as schools, health clinic, church be negatively affected by construction?			If “Yes”: Apply relevant measures based on the ESCOPs in Annex 4 and 9 (unless one of the other questions in the screening form raises specific environmental and social risks and requires a site-specific ESMP).
16. Will the subproject require the government to retain workers to provide security to safeguard the subproject?			If “Yes”: Prepare a site-specific ESMP for the proposed subproject, including an

dependence on unique natural resources, may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits.

Questions	Answer		Next Steps
	Yes	No	
			assessment of potential risks and mitigation measures of using security personnel.
ESS5			
17. Will the subproject require the involuntary acquisition of new land (will the government use eminent domain powers to acquire the land)? ⁴³			If “Yes”: Refer to and apply the project Resettlement Framework (RF).
18. Will the subproject lead to temporary or permanent physical displacement (including people without legal claims to land)?			If “Yes”: Refer to and apply the project RF.
19. Will the subproject lead to economic displacement (such as loss of assets or livelihoods, or access to resources due to land acquisition or access restrictions)?			If “Yes”: Refer to and apply the project RF.
20. Has the site of the subproject been acquired through eminent domain in the past 5 years, in anticipation of the subproject?			If “Yes”: Refer to and apply the project RF.
21. Are there any associated facilities needed for the subproject (such as access roads or electricity transmission lines) that will require the involuntary acquisition of new land?			If “Yes”: Refer to and apply the project RF.
22. Is private land required for the subproject activity being voluntarily donated to the project? ⁴⁴			If “Yes”: Refer to and apply the project RF.
ESS6			
23. Does the subproject involve activities that have potential to cause any significant loss or degradation of critical habitats ⁴⁵ whether directly or indirectly, or which would lead to adverse impacts on natural habitats ⁴⁶ ?			If “Yes”: Exclude from project.
24. Will the project involve the conversion or degradation of non-critical natural habitats?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5. 2. Include E&S risk management measures in bidding documents.
25. Will this activity require clearance of trees, including inland natural vegetation?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 5.

⁴³ Environmental and Social Standard 5, Footnote 10: “In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor’s remaining land area below that required to maintain the donor’s livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached.”

⁴⁴ Environmental and Social Standard 5, Footnote 10: “In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor’s remaining land area below that required to maintain the donor’s livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached.”

⁴⁵ Environmental and Social Standard 6, paragraph 23: “Critical habitat is defined as areas with high biodiversity importance or value, including (a) Habitat of significant importance to Critically Endangered or Endangered species, as listed in the IUCN Red List of threatened species or equivalent national approaches; (b) Habitat of significant importance to endemic or restricted-range species; (c) Habitat supporting globally or nationally significant concentrations of migratory or congregator species; (d) Highly threatened or unique ecosystems; and (e) Ecological functions or characteristics that are needed to maintain the viability of the biodiversity values described above in (a) to (d).”

⁴⁶ Environmental and Social Standard 6, paragraph 21: “Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area’s primary ecological functions and species composition.”

Questions	Answer		Next Steps
	Yes	No	
			2. Exclude from project if more than x hectares of tree and vegetation cutting is expected. 3. Include E&S risk management measures in bidding documents.
26. Will there be any significant impact on any ecosystems of importance (especially those supporting rare, threatened or endangered species of flora and fauna)?			If “Yes”: Exclude from project.
ESS7			
ESS8			
27. Is the subproject to be located adjacent to a sensitive site (historical or archaeological or culturally significant site) or facility?			If “Yes”: Apply Chance Find Procedures in Annex 7.
28. Locate near buildings, sacred trees or objects having spiritual values to local communities (e.g. memorials, graves or stones) or require excavation near there?			If “Yes”: Apply Chance Find Procedures in Annex 7.
ESS10			
29. Has the local population or any NGOs expressed concern about the proposed activity’s environmental aspects or expressed opposition?			If “Yes”: Apply SEP.

3. Conclusion

Based on the result from the screening above, please list the E&S risk management instruments to be prepared / adopt and implemented:

Name and title of person who conducted screening:

Date of screening:

ANNEX 5. ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP) TEMPLATE

This is an example template for an ESMP. Environmental and social risks and impacts are strongly linked to subproject location and scope of activities. This ESMP should be customized for each specific subproject location and activities.

1. Subproject Information

Subproject Title:	
Estimated Cost:	
Start/Completion Date:	

2. Site/Location Description

This section concisely describes the proposed location and its geographic, ecological, social and temporal context including any offsite investments that may be required (e.g., access roads, water supply, etc.). Please attach a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts to the ESMP.

3. Subproject Description and Activities

This section lists all the activities that will take place under the subproject, including any associated activities (such as building of access roads or underpasses, or communication campaigns that accompany service provision).

4. ESMP Matrix: Risk and Impacts, Mitigation, Monitoring

This section should identify anticipated site-specific adverse environmental and social risks and impacts defined by designer / authorities during project approval; describe mitigation measures to address these risks and impact; and list the monitoring measures necessary to ensure effective implementation of the mitigation measures. It may draw from the ESMF's pre-identification of potential risks/impacts and mitigation measures, as applicable, and drill down further to ensure relevance and comprehensiveness at the site-specific level. For subprojects involving construction, two sets of tables may be needed, for the construction phase and the operation phase.

Project phase/ Activity	Anticipated E&S Risks and Impacts	Risk Mitigation and Management Measures	Impact Mitigation		Impact/Mitigation Monitoring		
			Location/Timing/Frequency	Responsibility	Parameter to be monitored	Methodology, including Location and Frequency	Responsibility

5. Capacity Development & Training

Based on the implementation arrangements and responsible parties proposed above, this section outlines any capacity building, training or new staffing that may be necessary for effective implementation.

6. Implementation Schedule and Cost Estimates

This section states the implementation timeline for the mitigation measures and capacity development measures described above, as well as a cost estimate for the implementation. The cost estimate can focus on the line items that will be covered by the project implementing agency, with costs of mitigation measures to be implemented by the contractor left to the contractor to calculate.

7. Attachments

site specific SEP etc.

IV. Review & Approval

Prepared By:(Signature) Position: Date	
Reviewed By:(Signature) Position Date	Approved By:(Signature) Position Date

ANNEX 5A. GENERIC ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN FOR THE PROJECT – TABLE (PART OF THE ESMP)

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
Design/pre-construction phase				
Inclusion of adequate provisions to manage Environmental and Social Impacts	Tender documents prepared with access to or use of the this ESMP	No Tender documents will be prepared without incorporating this ESMP, which shall be included in the safeguard clauses of the Technical Specifications in the contracts and commitment to comply with will be request to be signed by each prospective bidder and will contractually be imposed to the successful bidder	Review of the Tender Documents	PIU/Consultant
Design of infrastructural facilities and underground installations	Position of infrastructural facilities and underground installations at the location of works not precise in design. Potential damages to the existing infrastructure and facilities, especially underground installations (water supply and sewerage pipeline etc.) which cause obstacles in the provision of services to consumers.	Precisely situate the position of infrastructural facilities and underground installations at the location of works in cooperation with relevant institutions at all levels of authority.	Review of the design documents	Contractor and representatives of relevant institutions of local authority.
	Lack of stakeholder awareness and engagement	Conduct stakeholder consultations in line with SEP; disclose project information in accessible format	Records of stakeholder consultations; information disclosed	PIU/Consultant
	Permits not acquired on time	All legally required permits have been acquired for construction and/or rehabilitation	Obtained permits prior construction works	Contractor
<u>Public consultations</u>	Disclosure and public consultation on the ESMP	Disclose the ESMP and notify local communities. Discuss all aspects and impacts.	Proofs on disclosure and notification;	PIU / ES Specialists
<u>Communication and Stakeholder Engagement</u>	Engagement with relevant Stakeholders including local	Prepare the Subproject specific implementation plan featuring the key activities from SEP (and prepare	Review of prepared documents	PIU/ Social Specialist

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
	Communities and mitigation measures Identifying possible vulnerable groups through screening and consultations; including them in engagement activities	the communication tools and material) SEP implementation Action Plan prepared and in place Stakeholder's engagement including engagement with PAPs will commence during the ESMP disclosure phase.	 Vulnerable groups identified and documented	 PIU/Social Specialist
Traffic and material transport	Damage to local roads and related infrastructure from heavy construction traffic and material transport, leading to community dissatisfaction and unexpected repair costs.	Conduct a Local Road Zero State Survey prior to commencement of construction works, covering all roads expected to be used by project traffic. Survey shall include: • Visual inspection of pavement, shoulders, drainage, and structures; • Detailed photographic and video documentation (geo-referenced); • Logging of defects with precise chainage and severity ratings; • GPS/GIS mapping of road conditions and sensitive receptors; • Assessment of existing traffic volumes and types; • Documentation of road safety features, and environmental sensitivities. - Use survey as a benchmark for comparison post-construction. - Implement remedial measures for any new damages attributable to project activities, restoring roads to pre-project condition or better.	Finalized Survey Report signed by the Contractor, PIU, and local authorities.	Contractor

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
		- Maintain records to resolve potential disputes over road conditions and ensure transparency with stakeholders.		
Construction phase		Mobilization/Temporary facilities/ Construction/ De-mobilization		
Public and Overall Site Safety	Notification of public and Overall Site Safety	The local construction and environment inspectorates and communities have been notified of upcoming activities The public has been notified of the works through appropriate notification in the media and/or at publicly accessible sites (including the site of the works) The Contractor formally agrees that all work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment.	Keep written proof of notifications, local permits, and/or media announcement, clippings; publish work schedule and detours;	Site supervisor Contractor for execution of civil works PIU
Contractor mobilization	Possible lack of GRM awareness	Establish and communicate GRM to the local communities; presenting contact details on site	GRM operational and accessible	PIU Contractor
	Worker OHS risk, including live rail interface, moving trains, electrical systems, heavy plant, lifting, excavation, and night work	Workers' personnel protective equipment (PPE) will comply with international good practice (always hardhats, as needed masks and safety glasses, harnesses and safety boots) Appropriate signposting of the sites will inform workers of key rules and regulations to follow and emergency contact numbers Provide on-site medical services and supplies for any emergency, through institutional and administrative arrangements with the local health unit	Supervisor to ensure use of PPE Supervisor to visually inspect adequate signage OHS Plan; toolbox talks; competent supervisors; excavation protection; emergency response;	PIU Contractor

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
		Provide portable water & sanitary facilities for construction workers		
Material supply	Indirect impact on environment by purchasing material for unlicensed companies	Sourcing of materials from authorized and licensed sites	Included into contracts with suppliers	Site supervisor PIU Contractor for execution of civil works
	Use of borrow pits for materials	Borrow pits shall be subject to complete restoration works following closure	Inspection of borrow pits following closure	Site supervisor PIU
Traffic and Pedestrian Safety	Increased traffic due to heavy equipment/vehicle movement/works in vicinity of main/local roads Decreased public access through the construction area	Schedule vehicle movement during lean daytime traffic hours or at night. Provide traffic aides/flagmen, traffic signs to help ensure the free and safe flow of traffic Maintain & repair temporary alternative route of vehicles & pedestrians Designate an alternate route for pedestrian and/or vehicles in coordination with the Municipal Authorities or provide safe passageway through the construction site	Presence of traffic signs Public complaints received Occurrence of traffic jams Public complaints received	Contractor
	Temporary loss of or difficulty in access to homes, plots, or local businesses during road construction	Maintain at least one safe access at all times; temporary ramps/plates/walkways; phased works; notify households in advance; grievance and response tracking	Continuously during construction Respond to grievances	Contractor / PIU
Air Quality – dust and noise suppression	Gas & particulate emissions from vehicles, equipment & generators	Regular equipment maintenance Contractor to present proof of compliance with emission standards as part of the annual vehicle registration process	Presence of black smoke from construction vehicles Attestation documentation	Contractor

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
	Dust suspension vehicle movement in unpaved roads & construction works	Wet areas of dust sources to minimize discomfort to nearby residents Control of vehicle speed to lessen suspension of road dust	Public complaints received General observation	Contractor
	Noise generation from equipment & operations	Schedule equipment movement during non-peak hours of daytime vehicular traffic Avoid night-time construction activities and abide by local laws on construction hours Provide silencers/mufflers for heavy equipment	Public complaints received Measure a noise level	Contractor
Waste and Inert Material Management	Environmental pollution caused by improper waste management	Waste collection and disposal pathways and sites will be identified for all major waste types expected from construction activities. Mineral construction waste will be separated from other types of waste like general refuse, organic, liquid, chemical, etc., and stored in appropriate containers. Construction waste will be collected and disposed of properly by licensed collectors No open burning of wastes on or off site	Continuously during construction works	Contractor to implement, Supervisor to review and report
Soil quality – erosion and vegetation cover	Soil erosion and landslides due to clearing and/or excavation	Provide slope protection through bank compaction, riprapping on critical sections, or vegetative stabilization Designate a Spoils Storage Area, with topsoil set aside for later use and allow maximum re-use of spoils Use material for restoration of degraded areas	Eroded areas near the site Signs of a potential/imminent landslide (unstable soil, signs of slippage, etc.)	Contractor

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
	Removal of vegetation	Do replacement planting that would restore removed vegetation Secure: (i) environmental permit, (ii) Urban consent and (iii) Tree cutting consent	Area replanted Number and type of plants replanted	Contractor
Water Quality and Quantity	Increased surface and groundwater turbidity & siltation , causing inconvenience in community use of the affected surface or ground waters along the path of the irrigation canals	Set up sediment traps along rivers and/or gabions along banks to filter out eroded sediments Same measures above for erosion control and slope stabilization Collectors will be provided to avoid surface water dispersion in case of watering of sand or gravel to control the dusts Construction vehicles and machinery will be washed only in designated areas where runoff will not pollute natural surface water bodies, and will be adequately collected and managed	Continuously and upon complaints received Visually check for presence of turbidity in surface water Analyze surface water quality in case of complaints (for pH, turbidity, conductivity and suspended solids)	Contractor to implement, Supervisor to review and report
	Potential contamination of water from improper maintenance and fueling of equipment	Provide oil & grease traps in stilling ponds Provide ring canals around fueling tanks/motor pool/maintenance areas Collect used oils in containers and hand over to authorized agency for handling	Continuously and upon complaints received Analyze surface water quality in case of complaints (for COD and total mineral oils) Presence of oil film on water surface	
Cultural Property and Chance Finds	Excavation works may uncover archaeological or other significant findings	Stop the works and apply reporting and conservation protocols based on prior coordination with the responsible agency; Institute for Protection of Cultural & National Heritage; Approval to continue or other relevant documentation from the nationally competent institution	Regularly through construction works to ensure adequate management of chance findings	Contractor

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
Change management	Design changes instructing a change to the Works as defined in the Contract for Construction works. These changes can include alterations to quantities, quality, levels, positions, dimensions, or the sequence of work either through Variation orders or Value Engineering). Such changes may result in new risks and impacts that were not identified during the initial screening (e.g. require the use of additional private or public land and may introduce unforeseen environmental or social risks. These could include impacts on surrounding habitats, community access, or land-based livelihoods, etc.	Any intention to modify the design shall be formally communicated between the parties no later than 7 days following the identification of the need for changes. The notification must include sufficient details of the proposed design modifications to enable an appropriate screening of potential additional environmental and social risks and impacts. Undertake supplemental screening, which will either re-confirm or re-classify risk, and determine whether amendments to this ESMP are required. Where necessary, the ESMP will be updated to ensure adequacy and comprehensiveness of mitigation and monitoring measures. If the screening confirms that existing measures remain sufficient, this shall be documented accordingly. In the event that the screening process identifies a need for additional private land as a result of design modifications, a dedicated Resettlement Action Plan (RAP) supplement will be prepared. The RAP will be developed in accordance with the requirements of ESS5 and national legislation, and will be based on: (i) a detailed census of affected assets and persons, (ii) a socioeconomic survey of affected households, and (iii) extensive consultations with all stakeholders to ensure that entitlements, mitigation measures, and livelihood restoration strategies are designed in a transparent, inclusive, and equitable manner.		

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
		No civil works shall commence based on modified design until the ESMP changes have been put into effect and budgeted for, and until and unless the RAP (if required) is fully implemented.		
Construction works on RLC, underpasses and access roads nearby settlements, schools or health facilities	Temporary restriction of access towards roads, households, schools, health facilities Installing signals, barriers and lighting; Ensuring safe pedestrian crossings; Enforcing speed limits Risk to children and disruption of school access Restricted emergency access	Full implementation of the Traffic Management Plan; Providing alternative routes; Informing public in advance Schedule works outside peak hours; coordinate with schools; maintain safe access routes Maintain access all times; coordinate with health institutions; ensure emergency routes	Access provided No major disruptions Safety measures in place No incidents involving children No obstruction to emergency services	Contractor PIU
Construction activities	Community complaints during construction works Insufficient stakeholder communication Impacts on vulnerable groups during construction works	Implementation of GRM and responding within defined timeframe Provide regular updates (notice boards, announcements, website) Ensure inclusive communication; additional safety measures where needed	Number of grievances resolved Information disclosed regularly Vulnerable groups protected	PIU Contractor
Workforce management	Labor risks (OHS, discrimination, informal work)	Applying LMP; Provided contracts; Enforced OHS; Provided worker GRM	Compliance with LMP	Contractor PIU
Operation and maintenance				

Project Phase / Activities	Possible Impacts	Mitigation Measures	Monitoring parameters	Responsible Party
Traffic Management and Pedestrian Safety	Access restrictions during maintenance	Introduce appropriate traffic signalization and appropriate warning signs Implementation of SEP, in particular the provisions on providing timely information to citizens through the media about upcoming maintenance, expected duration of the works, alternative routes, etc.	Visual inspection of warning signs Insight in information published	Contractor Owner or constructed/upgraded structures
Noise suppression	Noise	In case of noise complaints by local residents, the reduction of permissible vehicle speed limit should be performed	Limit noisy activities (e.g. earthmoving, truck unloading, etc.) to the least noise-sensitive times of day and schedule activities to occur at the same time. Machinery should be shut down or throttled down to a minimum when not in use.	Contractor
Waste management	Improper management of waste from maintenance activities	Waste collection and disposal pathways and sites will be identified for all major waste types expected from maintenance activities. All waste will be collected and disposed properly by licensed collectors No open burning of wastes/removed vegetation on or off site	Visual inspection of separate waste management piles Written receipts of all separate waste streams handled by the designated authorities Visual inspection of burn marks on site	
Use of infrastructure	Limited awareness of safety measures	Public awareness campaigns on safe use of crossings	Awareness activities conducted	PIU Operator
Project lifecycle	Ongoing community concerns	Maintaining and implementing GRM for operational phase; Responding to complaints	Complaints resolved	Operator

ANNEX 5B: ESMP TEMPLATE MONITORING PLAN

Phase	What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored/ type of monitoring equipment?	When is the parameter to be monitored- frequency of measurement or continuous?	Monitoring Cost What is the cost of equipment or contractor charges to perform monitoring?	Responsibility*	Supervision observation and comments (to be filled out during supervision with reference to adequate measuring reports)
Preparation phase							
Project Execution / Construction							
Operations and maintenance							

*Items indicated to be the responsibility of the contractor shall be specified in the bid documents

ANNEX 6. TEMPLATE FOR ESMP CHECKLIST - EXAMPLE

PART 1: INSTITUTIONAL & ADMINISTRATIVE			
Country	Republic of Montenegro		
Project title	Phase 2 of Western Balkans Trade and Transport Facilitation Project (TTFP)		
Project activity	Enhancing transport efficiency and predictability/Upgrade of 22 RLCs on the Podgorica-Niksic and Podgorica-Bar lines		
Subproject title			
Scope of subproject activity			
Institutional arrangements (Name and contacts)	Republic of Montenegro (WB Project Team Leader)	Project Management Ministry of Transportation of MN	Local Counterpart and/or Recipient PIU/Contractor
	Tel: email:	Tel: email:	Tel: email:
Implementation arrangements (Name and contacts)	WB Safeguard Supervision	Local Counterpart Supervision	Local Inspectorate Supervision
		RIoM/ ŽICG Responsible for contracted site; supervising engineer or responsible person appointed by the MoT; Site supervisor	Local Inspectorate Responsible for occasional visits to the site or upon public complaint
		Site engineer (name needed to be inserted after contracting) Responsible for implementation of the Checklist ESMP from constructor side	PIU/RIoM(ŽICG) Responsible for supervision of overall project. (name)
Implementation arrangements (Name and contacts)	Supervision** (Upon completion of the procedure, the name and contact of the Supervising Engineer will be added to the fields below).		
	Will be determined after completing the public procurement procedures for the sub-project need.		

SITE DESCRIPTION		
Name of the site		
Describe site location (geographic description)		Annex 1: Site information (figure from the site) [x]Y [] N
Who owns the land?	The land is state owned.	
Geographic description	Country: Montenegro Region: Municipality: Settlement:	
LEGISLATION		
Identify national & local legislation & permits that apply to project activity	The following Montenegrin Laws define a legal framework for overall project management including project environmental management:	
PUBLIC CONSULTATION		
Identify when / where the public consultation process took place	ESMP Checklist will be disclosed at the company's web site for the two weeks period. Hard copy will be available at the construction site. Variety of stakeholders will be notified including local population and consulted. They will be encouraged to send comments and questions on the ESMP checklist. All comments will be addressed and included to the final version of ESMP Checklist. Time of the consultation is not yet identified.	
INSTITUTIONAL CAPACITY BUILDING		
Will there be any capacity building?	[] N or [X]Y if Yes, please provide capacity building information	

PART 2: ENVIRONMENTAL /SOCIAL SCREENING				
Will the site activity include/involve any of the following:	Activity	Status		Additional references
		[] Yes	[] No	
	A. General measures			See Section A below
	B. Safety upgrade at level crossings			See Section A, B below
	C. Construction of underpasses and access roads			See Section A, B below

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Notification and Occupational Health and Safety (OHS)	(a) The local construction and environment inspectorates and communities have been notified of upcoming activities. (b) The public has been notified of the works through appropriate notification in the media and/or at publicly accessible sites. (c) In the case the works are interfering with railway schedule the operator (RIoM) needs to take precautions and coordinate works and railway traffic with the constructor and companies using the lines. The operator will take safety measures to prevent accidents. (d) All legally required permits have been acquired for construction and/or rehabilitation. (e) All work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment. (f) Workers are well trained in using potentially dangerous equipment. (g) Any health and safety incidents should be reported to project manager immediately. This should be well communicated to the construction staff. (h) Workers' PPE will comply with international good practice (obligatory wearing of hardhats at all times, masks and safety glasses as needed and prescribed, harnesses and safety boots). (i) Appropriate signposting of the sites will inform workers of key rules and regulations to follow. (j) All construction sites are equipped with appropriate sanitary facilities and resting places for workers. (k) Construction sites are fenced off or protected by properly designed barricades or tape-marked. (l) Material stockpiles or stacks, such as pipes, are made stable and well secured to avoid collapse and possible injury to site workers. (m) Material stockpiles or stacks do not exceed 2m in height. (n) The construction camp (if required) must remain not accessible to public. (o) Potentially hazardous areas (e.g. trenches, manholes, excavations) must be clearly marked. (p) The contractor has multiple copies of the TTFP external grievance mechanism submission form available on each construction site (digital copy available on the website of MoT https://www.gov.me/msa). (q) The contractor has a workers' internal grievance mechanism.
A. General Conditions	Cultural heritage preservation	(a) In the case of chance finding, the site will be fenced (protected) and authorities (Directorate of the Ministry of Culture and media of Montenegro) informed. Their instructions will be followed in the further works. (b) The construction related camps, storages and other objects will be located further from archeological sites or archeologically sensitive areas.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Nature protection	(a) Working site should occupy only the surfaces necessary for works to be carried out. (b) During the construction, workers must be limited to areas under construction and the access to surrounding open area must be strictly regulated. (c) Construction activities are planned carefully so as not to interfere with the important reproduction stages of protected species. (d) Prior to commencement of works the contractor will check the site for presence of wildlife and in case of finding bird nests, bats, dens or young the competent authority must be notified (Ministry of Ecology and Development of North, Department for Nature Protection). (e) Causing disturbance to wildlife, pouching and removing animals and plants from the vicinity of the site for trade or any other purposes but safety is strictly forbidden. (f) Collection of firewood and traditional medicine plants is strictly forbidden. (g) The terrain at the working site has to return to its pre-works condition, if not possible than it will be adequately rehabilitated. (h) Destroyed greenery has to be rehabilitated with local indigenous flora typical of the representative botanical unit, amongst which fire-resistant species are preferred.
A. General Conditions	Waste	(a) Waste collection, separation, transport and further processing is carried out in accordance with the internal 'Waste Rulebook' and national waste legislation (b) Containers for each identified waste category are provided in sufficient quantities and positioned conveniently. (c) Waste collection and disposal pathways and licensed sites will be identified for all major waste types expected from demolition and construction activities. (d) Mineral (natural) construction and demolition wastes will be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and temporarily stored in appropriate containers. Depending of its origin and content, mineral waste and excessive soil will be reapplied to its original location or reused. (e) All construction waste will be collected and disposed/processed properly by licensed collectors. (f) The records of waste disposal (waste manifest) will be regularly updated and archived. (g) Whenever feasible, the contractor will reuse and recycle appropriate and viable materials. (h) Discarding any kind of waste (including organic waste) or waste water to the surrounding is strictly forbidden. (i) Transport odor wastes in covered vehicles (j) All waste and unused materials are to be removed from the site upon the finalization of works (k) All mechanization and tools are to be removed from the site upon the finalization of works

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Toxic/hazardous substances management	a) During the temporary storage on site all hazardous or toxic substances will be kept in safe containers labeled with details of composition, properties and handling information. These containers should be leak-proof in order to prevent spillage and leaching. The containers should pose secondary containment system such as bunds (e.g. bunded-container), double walls, or similar. Secondary containment system must be free of cracks, able to contain the spill and be emptied quickly. (b) Fuel will be kept in safe, labeled, containers with information on properties and handling information. These containers should be leak-proof in order to prevent spillage and leaching. The containers should pose secondary containment system such as bunds (e.g. bunded-container), double walls, or similar. Secondary containment system must be free of cracks, able to contain the spill and be emptied quickly. (c) The containers with hazardous substances must be kept closed, except when adding or removing materials. They must not be handled, opened, or stored in a manner that may cause them to leak. (d) Paints with toxic ingredients or solvents or lead-based paints will not be used. (e) Use of pesticides or herbicides during these works is strictly forbidden. (f) Regular checks of containers containing toxic and hazardous solids and liquids should be performed.
A. General Conditions	Toxic/hazardous waste	(a) The containers holding ignitable or reactive wastes must be located at least 15 meters (50 feet) from the working facilities (b) All hazardous wastes, including liquids, contaminated packaging and solids are transported by specially licensed carriers and disposed in a licensed facility. (c) Temporary storage of liquid toxic or hazardous waste on site; all hazardous or toxic liquid substances will be kept in safe containers labeled with appropriate classification code in accordance with the Regulation on categories, types and classification of waste with a hazardous waste catalogue. These containers should be leak-proof in order to prevent spillage and leaching. The containers should pose secondary containment system such as bunds (e.g. bunded-container), double walls, or similar. Secondary containment system must be free of cracks, able to contain the spill and be emptied quickly. (d) Solid hazardous waste should be kept in safe containers labeled with appropriate classification code in accordance with the Rulebook on waste classification and waste catalogue. These containers should be leak-proof in order to prevent spillage and leaching. These containers should be covered and protected from weather impact (rain and other) (e) Oils, grease and sludge from the oil and grease collecting pits have to be removed from the pits, transported and disposed/recovered by a licensed company only and at the licensed landfills or other licensed facilities. (f) Regular checks of containers containing toxic and hazardous wastes should be performed.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Water and soil	(a) Installation and regular maintenance of proper sanitary facilities for workers is carried out. (b) Water used for construction and other purposes (e.g. sanitary) is taken from the existing water supply sources. No additional water sources are engaged. (c) Waste water collected at the site must not be released to the environment without prior treatment. (d) Operating premises are equipped with waste water collecting system. Water is collected through the system and taken to the waste water treatment. Waste water treatment is minimally equipped with oil and grease separator after which waste water is either released to the municipal water collecting system (that includes further treatment), water treatment system on site or water is collected and taken for treatment elsewhere. (e) Prevent as much as possible, oil and other pollutants leakages to water and soil. (f) If necessary, the stream flow is made to bypass the construction area within drainage lines (g) Surface water at the construction site is diverted away from excavation trenches or areas prone to erosion. (h) Servicing of vehicles and machinery is conducted off-site. (i) Oil changes are conducted off site, on concrete platforms equipped with oil and grease separators. (j) Contaminated soil and aggregate must be stripped and disposed to a licensed landfill. (k) Regular monitoring of water quality should be performed at outlets of oil and grease separating pits. The water quality has to fulfill demands prescribed by the water management authority (Ministry of Agriculture, Forestry and Water Management) and in accordance with Water Act and related bylaws.
A. General Conditions	Air	(a) Ensure all transportation vehicles and machinery is regularly maintained and attested. (b) Ensure all vehicles and machinery runs on petrol from official sources (authorized gas stations) and on fuel determined by the machinery producer. (c) There will be no excessive idling of vehicles and machinery on the site.
A. General Conditions	Transport and Materials Management	(a) Construction routes are clearly defined. (b) Distribution of materials and other usages of railway lines need to be announced and coordinated with the operator (RIMN). The operator will take safety measures to prevent accidents. (c) All materials prone to dusting are transported in closed or covered trucks or wagons. (d) All materials prone to dusting and susceptible to weather conditions are protected from atmospheric impacts either by windshields, covers, watered or other appropriate means (e) Roads are regularly swept and cleaned at critical points. Spilled materials are immediately removed from a road and cleaned. Access roads are well maintained. (f) Railways are cleaned at critical points. Spilled materials are immediately removed from tracks and cleaned. Tracks are well maintained. (g) Access of the construction and material delivery vehicles are strictly controlled, especially during the wet weather. (h) Topsoil and stockpiles are kept separate. (i) Stockpiles are located away from drainage lines, natural waterways and places susceptible to land erosion. (j) All loads of soil are covered when being taken off the site for reuse/disposal (k) Stockpiles do not exceed 2m in height to prevent dissipation and risk of fall.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Dust	(a) Washing of road transport vehicles and wheels will be conducted regularly, in previously identified sites equipped with, minimally, oil and grease collector. (b) Excavation and other clearing activities and earthwork must be done during agreed working times and permitting weather conditions to avoid drifting of sand and dust into neighboring area (c) Loading and unloading of dust prone materials will be conducted during the favorable weather and with adequate dust-reduction measures (d) A speed limit of 40km/h must not be exceeded on dirt roads (e) Dust prone materials should be transported in closed or covered trucks (f) Dust prone materials and other bulk materials should be protected from weather conditions, especially wind and rain.
A. General Conditions	Fire prevention	(a) Grass left on the site must be regularly cut, especially during the dry periods, to prevent fires. (b) No fires will be allowed on site under any circumstance (c) All cooking on site shall be done in demarcated areas and under constant control. (d) The contractor shall have operational fire-fighting equipment available on site at all times. Their position is communicated to workers and marked. The level of fire-fighting equipment must be assessed and evaluated through a typical risk assessment. There is an appointed person on the site responsible for the fire protection. Procedures in the case of fire are well known to all employees.
A. General Conditions	Noise	(a) Noise levels, at the site, should be kept within acceptable limits and not exceed values set in the national legislation - Rulebook on the highest levels of noise in human environment (b) Work during the night will be avoided, if possible, especially in the vicinity of settlements. In the case there will be night works appropriate permissions should be obtained. (c) Noise suppression measures must be applied to all construction equipment. During operations the engine covers of generators, air compressors and other powered mechanical equipment should be closed. Should the vehicles or equipment not be in good working order, the constructor may be instructed to remove the offending vehicle or machinery from the site. (d) Mechanical equipment is effectively maintained. (e) Truck traffic should be routed away from noise sensitive areas, where possible.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
B. Safety upgrade at level crossings and construction of underpasses and access roads	Safety	(a) Canals are kept clear of surface and other water. (b) Canals are protected from collapse or erosion. (c) Mechanical excavations along the underground cable are performed minimally in 2.0m distance from the cable. In the case of the cable being crossed vertically mechanical works are allowed in 0.5m distance or more. (d) Manual excavations are carried out with hand tools (e.g. shovel, hack). In the area around the cables, 30cm or closer, hack and other sharp tools should not be used. Soil, closer than 10cm from the cable can be removed carefully using shovel. (e) The cable should be positioned in a way to avoid bending and damaging. When bending is necessary the radius should be 20 times or more the radius of the cable. (f) Cable lying, manipulation and other works can be performed at temperature of 5 °C or higher. Exceptionally, works can be carried out at the temperature down to -5°C however, with great caution and with minimal manipulation of the cables. (g) Cable canal is to be marked at every 100 meters of cable line when the cable route is straight as well as at the following points: place of the cable extension – connection; location where the route is changing direction; where the cable is passing under the rail tracks or group of tracks columns are installed on both side; where the cable is passing public traffic surfaces and under the drainage canal or water streams it is marked from both sides. (h) Roads where trucks are transporting materials should be kept clean.
B. Safety upgrade at level crossings and construction of underpasses and access roads	Concrete and aggregate production	(a) Producer of concrete has to obtain/hold all required working and emission permits and quality certifications. (b) Producer presented a proof of conformity with all national environmental and H&S legislation. (c) The quarry supplying the cement producer with limestone has to prove conformity with all national environmental and H&S legislation and have all operating, environmental and H&S permits. (d) The quarry supplying the stone aggregate has to proof to hold all operating, environmental and H&S permits. (e) Ensure all transportation vehicles and machinery have been equipped with appropriate emission control equipment, regularly maintained and attested. (f) Water used for production of concrete can be technical water, but free of hazardous and toxic pollutants, heavy metals and other substances hazardous to human health and environment
B. Safety upgrade at level crossings and construction of underpasses and access roads	Materials management	(a) Organization of works is such that construction materials are kept at the site in minimal quantities and for minimal amount of time. (b) Sand and gravel used in construction works should be traceable to licensed companies with valid concessions. (c) Quality of sand and gravel has to fulfill technical requirements and be unpolluted with oils, toxic, corrosive or hazardous substances and free of impurities.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
B. Safety upgrade at level crossings and construction of underpasses and access roads	Soil and water protection	(a) Prevent possible contaminants to enter the water body during the excavation or cable laying by isolating nature flows from the area of works. (b) The site will establish appropriate erosion and sediment control measures such as hay bales and / or silt fences to prevent sediment from moving off site and causing excessive turbidity in nearby streams and rivers during works. (c) In the case of any run-off coming from works area possibly contaminated by hazardous substances shall be collected on site to a temporary retention basin and transported to an adequate treatment plant. (d) Working site run-offs with possible charge with suspended matter should be filtered before spillage to natural flows. (e) Soil work and management will take into account meteorological data and conditions when planned and carried out (e.g. avoid works during heavy rains). (f) Prevent hazardous spillage coming from tanks (mandatory secondary containment system, e.g. double walled or bunded containers), construction equipment and vehicles (regular maintenance and check-ups are mandatory), machinery and vehicles can be parked (manipulated) only on asphalted or concrete surfaces with surface runoff water collecting system (this water can then be either collected to retention basins and transported to a proper water treatment facility or the water collecting system has to include oil separator and sedimentation tank). (g) Cover open pits at the end of the working hours. (h) Prevent anticorrosive spillage to water and soil during application.
B. Safety upgrade at level crossings and construction of underpasses and access roads	Waste	(a) HDPE residual materials should be separately collected and hand over to be recycled. (b) In the case any of aggregate comes from the area of higher pollution (e.g. railway stations, etc.) stone aggregate analysis is carried out, selection and classification in accordance with internal 'Instructions on handling used stone aggregate waste resulting from works on railway tracks. (c) Reuse or sell categories I, II and III of waste stone aggregate in accordance with internal 'Instructions on handling used stone aggregate waste resulting from works on railway tracks and national legislation. (d) Dispose category IV of waste stone aggregate in accordance with internal 'Instructions on handling used stone aggregate waste resulting from works on railway tracks and national legislation using licensed companies.

PART 3: MONITORING PLAN					
What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored (what should be measured and how)?	When is the parameter to be monitored (timing and frequency)?	Costs associated with implementation of monitoring	Responsibility/ Supervision observation and comments (to be filled out during supervision with reference to adequate measuring reports)
Preparation Phase					
1					
2					
3					
...					
Operational Phase					
1					
2					
3					
...					
Post-project phase					
1					
2					
...					

ANNEX 7. CHANCE FIND PROCEDURES

If relevant for the sub-Project, below is an example of simple Chance Find Procedures.

Cultural heritage encompasses tangible and intangible heritage which may be recognized and valued at a local, regional, national or global level. *Tangible cultural heritage*, which includes movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Tangible cultural heritage may be located in urban or rural settings, and may be above or below land or under the water. *Intangible cultural heritage*, which includes practices, representations, expressions, knowledge, skills—as well as the instruments, objects, artefacts and cultural spaces associated therewith—that communities and groups recognize as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.

In the event that during construction, sites, resources or artifacts of cultural value are found, the following procedures for identification, protection from theft, and treatment of discovered artefacts should be followed and included in standard bidding documents. These procedures take into account requirements related to Chance Finding under national legislation including [list relevant cultural heritage legislation in country].

- Stop the construction activities in the area of chance find temporarily.
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a guard shall be arranged until the responsible local authorities take over. These authorities are [list the responsible authorities under national legislation].
- Notify the relevant [implementing agency field staff] and the relevant [list the responsible local authorities under national legislation] immediately. [Implementing agency field staff] will inform the [implementing agency management].
- The relevant [list the responsible local authorities under national legislation] shall promptly carry out the necessities and inform the [national level cultural heritage or archeology ministry] immediately from the date on which the information is received.
- The [national level cultural heritage or archeology ministry] would be in charge of evaluation /inspection of the significance or importance of the chance finds and advise on appropriate subsequent procedures.
- If the [national level cultural heritage or archeology ministry] determines that chance find is a non-cultural heritage chance find, the construction process can resume.
- If the [national level cultural heritage or archeology ministry] determines chance find is an isolated chance find, [national level cultural heritage or archeology ministry] would provide technical supports/advice on chance find treatment with related expenditure on the treatment provided by the entity report the chance find.

ANNEX 8. PUBLIC CONSULTATIONS IN 2022

Ministry of Capital Investments (MoCI) has prepared a draft Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Stakeholder Engagement Plan (SEP) and Labor Management Procedures (LMP), for WBTTFP Project which was submitted to WB for comments and remarks during December 2022.

ESMF document has been prepared as a guide for the initial screening of the proposed project activities for any negative environmental and social impacts, which would require attention prior to project implementation. ESMF will ensure that the proposed project is implemented in accordance with the World Bank operational policies and local legislation related to environmental protection. Finally, ESMF document aims to provide sufficient guidance in the selection, preparation and implementation of subprojects in order to avoid, minimize or mitigate environmental and social risks and impacts, and enhance the environmental and social outcomes of the Project.

The preparation of ESMF, RPF, SEP and LMP was undertaken through a desk study and field investigations performed during 2022.

On October 18, 2022, WB “No objection” on draft ESF Instruments was delivered to the MoCI. Starting from same day, MoCI commenced preparation for public consultations and disclosure.

The in-country disclosure of the documents started on December 16, 2022, , when draft ESMF document and call for public consultations was placed at the Ministry official web site: <https://www.gov.me/clanak/javne-konsultacije-za-projekat-pojednostavljenja-transporta-i-trgovine-na-zapadnom-balkanu-faza-ii>

Insight into the ESF document was ensured on following address:

- o the premises of the second floor, on working days from 11:00 AM to 01:00 PM (local time), on December 19, 2023 and December 20, 2023 in regards to the date of public announcement of this invitation.

On December 17, 2022, additional announcement and invitation to the interested parties were published in the daily newspaper “Dan” (photo 1), inviting the public, authorities and relevant institutions to have an insight into the documents, proposed project works and environmental and social impact of the project with presented mitigation and monitoring measures.

Prior to announcement in the newspapers, all documents were delivered to the MoCI and made publicly available during whole consultation process.

Public consultation started at 01:00 PM in online format, and ended at 02:00 PM, local time, on December 21, 2023. During the public consultations, there were no comments, remarks or complaints on disclosed Draft ESMF related to issues presented, and no environmentally or socially related issues were raised. During disclosure period there were no telephone or e-mail contacts regarding proposed documents.

There were no attendees on public consultation meeting in online format (photo 3).

DOCUMENTATION

Photo 1: Announcement of public consultation in daily newspaper ("Dan"), December 17, 2023

ДАН СУБОТА, 17. ДЕЦЕМБАР 2022.

**ГРАЂАНИ SA UDRUŽENJIMA I KLUBOVIMA
RIBOLOVACA I RONIŁACA
CRNE GORE**

**STOP
KRIVOLOVU**

facebook.com/krivolovci krivolovci@gmail.com

BROJEVI ZA PRIJAVU KRIVOLOVA
BAR - 067/184-018 BUDVA - 067/184-258 ULGIN - 067/184-196 HERCEG NOVI - 067/184-773
SKADARSKO JEZERO - 067/174-246 020/675-998

Saglasno
Ekološkom i društvenom okviru Svetske banke (ESF) i
Ekološkom i društvenom standardu 10 (ESS10)
Ministarstvo za kapitalne investicije Crne Gore
poziva na nastavak

JAVNIH KONSULTACIJA
javnost, organe i organizacije zainteresovane za

OKVIR UPRAVLJANJA UTICAJIMA NA ŽIVOTNU SREDINU I DRUŠTVO (ESMF)
PRAVILNIK O RADU NA PROJEKTU (LMP)
PLAN UKLJUČIVANJA ZAINTERESOVANIH STRANA NA NIVOU PROJEKTA (SEP)
OKVIR POLITIKE RASELJAVANJA (RPF)
22
PROJEKAT POJEDNOSTAVLJENJA TRANSPORTA I TRGOVINE FAZA 2 (TTFP)

Nastavak javnih konsultacija i prezentacija predmetnih dokumenata će se održati dana 21.12.2022. godine, sa početkom u 13:00 časova putem online platforme. Prijave za učešće na konsultacijama mogu se podnijeti do 20.12.2022. godine dostavom na adresu elektronske pošte: kabinet@mki.gov.me i milena.milacic@mki.gov.me.
Uvid u predmetne dokumente može se izvršiti:
- u prostorijama Ministarstva za kapitalne investicije, Rinski trg br. 46, dana 19.12.2022. i 20.12.2022. godine, od 11 do 13 časova,
- na internet stranici Ministarstva za kapitalne investicije www.gov.me/mki.
Pitanja, primjedbe i mišljenja primaće se usmeno tokom javnih konsultacija ili pisanim putem dostavom na adresu:

Ministarstvo za kapitalne investicije
Adresa: Rinski trg br. 46, 81000 Podgorica
E-mail: kabinet@mki.gov.me i milena.milacic@mki.gov.me

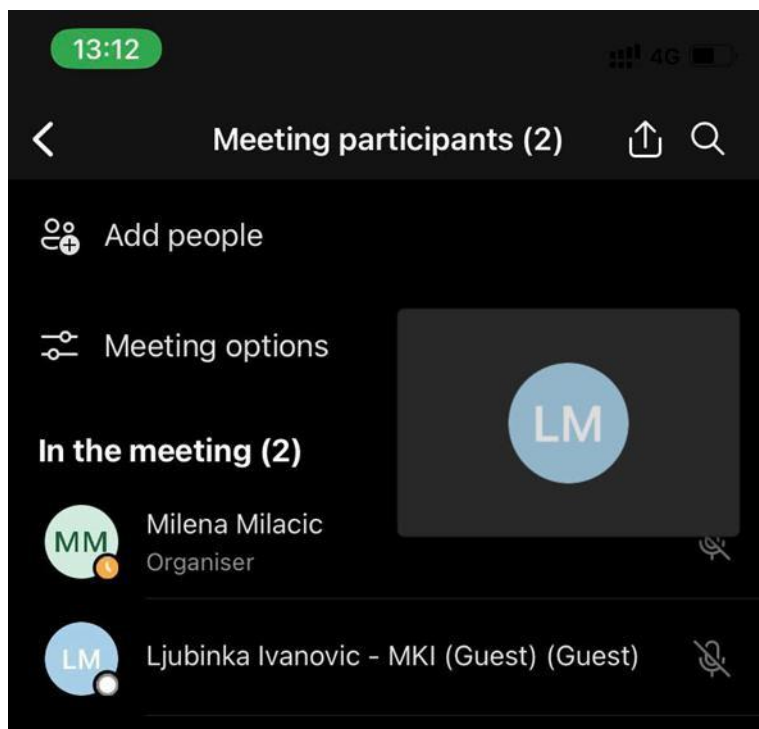
lv. br. 448/2022
Javni izvršitelj Siniša Miličić, sa službenim sjedištem u Be-
ranama, ul. Njegošev trg bb, u pravnoj stvari izvršnog poveri-
oca DOO "Komunalne Djelatnosti" Gusinje, ul. Grebajka br. 6,
protiv izvršnog dužnika Ilirijana Donbajalja, iz Gusinja, radi
naplate novčanog potraživanja, vr. sp. 254,09 eura, shodno
članu 45. ZIO – a, dana 16.12.2022. godine, vrši

lv. br. 454/2022
Javni izvršitelj Siniša Miličić, sa službenim sjedištem u Be-
ranama, ul. Njegošev trg bb, u pravnoj stvari izvršnog poveri-
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br. 6, protiv izvršnog dužnika Soka Preljvukaja, iz Gusinja,
radi naplate novčanog potraživanja, vr. sp. 143,38 eura, shodno
članu 45. ZIO – a, dana 16.12.2022. godine, vrši

DOSTAVI JAVNIH JAVNIM OBJAVLJIVANJEM DOSTAVLJANJE JAVNIM OBJAVLJIVANJEM

Photo 2: Announcement of public consultation on the web site of the Ministry of Capital Investments

Photo 3: Confirmation that during the online presentation there were not attendees



ANNEX 9. ENVIRONMENTAL AND SOCIAL CODES OF PRACTICE (ESCOP)

To manage and mitigate potential negative environmental and social impacts, the project applies Environmental Codes of Practice (ESCOPs), outlined in this document. These are examples of ESCOPs, pre-prepared environmental and social risks management measures for standard construction activities. Depending on the activities in your Project, you can include and exclude certain sections, as well as add new ones.

The ESCOPs contain specific, detailed and tangible measures that would mitigate the potential impacts of each type of eligible subproject activity under the project. They are marked as relevant for the planning phase, the implementation phase, or the post-implementation phase of activities. They are intended to be simple risk mitigation and management measures, readily usable to the Borrower and contractors.

a. ESCOPs for Infrastructure Subprojects

General ESCOP for Infrastructure Subprojects

Issue	Environmental Prevention/Mitigation Measures	Responsible Party
1. Noise during construction	a) Plan activities in consultation with communities so that noisiest activities are undertaken during periods that will result in least disturbance. (Planning phase) b) Use when needed and feasible noise-control methods such as fences, barriers or deflectors (such as muffling devices for combustion engines or planting of fast-growing trees). (Implementation phase) c) Minimize project transportation through community areas. Maintain a buffer zone (such as open spaces, row of trees or vegetated areas) between the project site and residential areas to lessen the impact of noise to the living quarters. (Implementation phase)	
2. Soil erosion	a) Schedule construction during dry season. (Planning phase) b) Contour and minimize length and steepness of slopes. (Implementation phase) c) Use mulch, grasses or compacted soil to stabilize exposed areas. (Implementation phase) d) Cover with topsoil and re-vegetate (plant grass, fast-growing plants/bushes/trees) construction areas quickly once work is completed. (Post-Implementation phase) e) Design channels and ditches for post-construction flows and line steep channels/slopes (e.g., with palm fronds, jute mats, etc.). (Post-Implementation phase)	
3. Air quality	a) Minimize dust from exposed work sites by applying water on the ground regularly during dry season. (Implementation phase) b) Avoid burn site clearance debris (trees, undergrowth) or construction waste materials. (Implementation phase) c) Keep stockpile of aggregate materials covered to avoid suspension or dispersal of fine soil particles during windy days or disturbance from stray animals. (Implementation phase) d) Reduce the operation hours of generators /machines /equipment /vehicles. (Implementation phase) e) Control vehicle speed when driving through community areas is unavoidable so that dust dispersion from vehicle transport is minimized. (Implementation phase)	
4. Water quality and availability	a) Activities should not affect the availability of water for drinking and hygienic purposes. (Implementation phase)	

Issue	Environmental Prevention/Mitigation Measures	Responsible Party
	b) No soiled materials, solid wastes, toxic or hazardous materials should be stored in, poured into or thrown into water bodies for dilution or disposal. (Implementation phase) c) Avoid the use of waste water pools particularly without impermeable liners. d) Provision of toilets with temporary septic tank. (Implementation phase) e) The flow of natural waters should not be obstructed or diverted to another direction, which may lead to drying up of river beds or flooding of settlements. (Implementation phase) f) Separate concrete works in waterways and keep concrete mixing separate from drainage leading to waterways. (Implementation phase)	
5. Solid and hazardous waste	a) Segregate construction waste as recyclable, hazardous and non-hazardous waste. (Implementation phase) b) Collect, store and transport construction waste to appropriately designated/controlled dump sites. (Implementation phase) c) On-site storage of wastes prior to final disposal (including earth dug for foundations) should be at least 300 metres from rivers, streams, lakes and wetlands. (Implementation phase) d) Use secured area for refuelling and transfer of other toxic fluids distant from settlement area (and at least 50 metres from drainage structures and 100 metres from important water bodies); ideally on a hard/non-porous surface. (Implementation phase) e) Train workers on correct transfer and handling of fuels and other substances and require the use of gloves, boots, aprons, eyewear and other protective equipment for protection in handling highly hazardous materials. (Implementation phase) f) Collect and properly dispose of small amount of maintenance materials such as oily rags, oil filters, used oil, etc. Never dispose spent oils on the ground and in water courses as it can contaminate soil and groundwater (including drinking water aquifer). (Implementation phase) g) After each construction site is decommissioned, all debris and waste shall be cleared. (Post-Implementation phase)	
6. Asbestos	a) If asbestos or asbestos containing materials (ACM) are found at a construction site, they should be clearly marked as hazardous waste. (Implementation phase) b) The asbestos should be appropriately contained and sealed to minimize exposure. (Implementation phase) c) Prior to removal, if removal is necessary, ACM should be treated with a wetting agent to minimize asbestos dust. (Implementation phase) d) If ACM is to be stored temporarily, it should be securely placed inside closed containers and clearly labeled. (Implementation phase) e) Removed ACM must not be reused. (Implementation and post-implementation phase)	
7. Health and Safety	a) When planning activities of each subproject, discuss steps to avoid people getting hurt. (Planning phase) It is useful to consider: - Construction place: Are there any hazards that could be removed or should warn people about? - The people who will be taking part in construction: Do the participants have adequate skill and physical fitness to perform their works safely? - The equipment: Are there checks you could do to make sure that the equipment is in good working order? Do people need any particular skills or knowledge to enable them to use it safely? - Electricity Safety: Do any electricity good practices such as use of safe extension cords, voltage regulators and circuit breakers, labels on electrical wiring for safety measure, aware on identifying burning smell from wires,	

Issue	Environmental Prevention/Mitigation Measures	Responsible Party
	etc. apply at site? Is the worksite stocked with voltage detectors, clamp meters and receptacle testers? b) Mandate the use of personal protective equipment for workers as necessary (gloves, dust masks, hard hats, boots, goggles). (Implementation phase) c) Follow the below measures for construction involve work at height (e.g. 2 meters above ground (Implementation phase): • Do as much work as possible from the ground. • Do not allow people with the following personal risks to perform work at height tasks: eyesight/balance problem; certain chronic diseases – such as osteoporosis, diabetes, arthritis or Parkinson’s disease; certain medications – sleeping pills, tranquillisers, blood pressure medication or antidepressants; recent history of falls – having had a fall within the last 12 months, etc. • Only allow people with sufficient skills, knowledge and experience to perform the task. • Check that the place (e.g. a roof) where work at height is to be undertaken is safe. • Take precautions when working on or near fragile surfaces. • Clean up oil, grease, paint, and dirt immediately to prevent slipping; and • Provide fall protection measures e.g. safety harness, simple scaffolding/guard rail for works over 4 meters from ground. d) Keep worksite clean and free of debris on daily basis. (Implementation phase) e) Provision of first aid kit with bandages, antibiotic cream, etc. or health care facilities and enough drinking water. (Implementation phase) f) Keep corrosive fluids and other toxic materials in properly sealed containers for collection and disposal in properly secured areas. (Implementation phase) g) Ensure adequate toilet facilities for workers from outside of the community. (Implementation phase) h) Rope off construction area and secure materials stockpiles/ storage areas from the public and display warning signs including at unsafe locations. Do not allow children to play in construction areas. (Implementation phase) i) Ensure structural openings are covered/protected adequately. (Implementation phase) j) Secure loose or light material that is stored on roofs or open floors. (Implementation phase) k) Keep hoses, power cords, welding leads, etc. from laying in heavily travelled walkways or areas. (Implementation phase) l) If school children are in the vicinity, include traffic safety personnel to direct traffic during school hours, if needed. (Implementation phase) m) Control driving speed of vehicles particularly when passing through community or nearby school, health centre or other sensitive areas. (Implementation phase) n) During heavy rains or emergencies of any kind, suspend all work. (Implementation phase) o) Fill in all earth borrow-pits once construction is completed to avoid standing water, water-borne diseases and possible drowning. (Post-Implementation phase)	
8. Other	a) No cutting of trees or destruction of vegetation other than on construction site. [Implementing agency] will procure locally sourced materials consistent with traditional construction practices in the communities. (Planning phase) b) No hunting, fishing, capture of wildlife or collection of plants. (Implementation phase)	

Issue	Environmental Prevention/Mitigation Measures	Responsible Party
	c) No use of unapproved toxic materials including lead-based paints, un-bonded asbestos, etc. (Implementation phase) d) No disturbance of cultural or historic sites. (Planning and implementation phases)	

Specific ESCOPs for Infrastructure Subprojects

Subproject Type	Environmental Prevention/Mitigation Measures	Responsible Party
Roads		
Roads connecting villages, between villages and townships.	General Considerations: a) Control placement of all construction waste (including earth cuts) to approved disposal sites (at >300 m from rivers, streams, lakes, or wetlands). If we do have to dispose spent oil unexpectedly, we should use safe disposal method capable by rural community. For example- burning spend oil as fuel. (Implementation phase) b) Erosion control measures should be applied before the rainy season begins, preferably immediately following construction. Maintain, and reapply the measures until vegetation is successfully established. (Implementation and post-implementation phases) c) Sediment control structures should be applied where needed to slow or redirect runoff and trap sediment until vegetation is established. (Implementation and post-implementation phases) d) Avoid road construction in unstable soils, steep slopes and nearby river banks. Additional measures (see the section below) need to be applied should there be no alternatives for road alignments. (Planning phase)	
	Protect slopes from erosion and landslides by the following measures (Implementation phase): a) Indigenous Species, fast-growing grass on slopes prone to erosion. These grasses help stabilise the slope and protect soil from erosion by rain and runoff. Locally available species possessing the properties of good growth, dense ground cover and deep root shall be used for stabilisation. b) Provide interceptor ditch, particularly effective in the areas of high intensity rainfall and where slopes are exposed. This type of ditch intercepts and carries surface run-off away from erodible areas and slopes before reaching the steeper slopes, thus reducing the potential surface erosion. c) For steep slopes, a stepped embankment (terracing) is needed for greater stability. d) Place a retaining wall at the lower part of the unstable slope. The wall needs to have weeping holes for drainage of the road sub-base, thus reducing pressure on the wall. e) Rocks (riprap) can be used in addition to protect the slope. f) Prevent uncontrolled water discharge from the road surface by sufficiently large drainage ditches and to drain water away from the down slope.	
	Water Quality and Fauna (Implementation phase): a) Restrict duration and timing of in-stream activities to lower flow periods (dry season) and avoid periods critical to biological cycles of valued flora and fauna (e.g., spawning) b) Water flow diversion should be avoided; if it is impossible to avoid, impacts should be assessed and mitigation proposed. c) Establish clear separation of concrete mixing and works from drainage areas and waterways	
Solid Waste Management	a) Solid waste depots/disposal need to be located on hard-standing areas that prevent waste entering surface or groundwater. (Implementation phase) b) Waste depots/storage/disposal should be contained, sealed and/or	

Subproject Type	Environmental Prevention/Mitigation Measures	Responsible Party
	roofed/covered to prevent storm water contamination. Wastes need to be emptied regularly. (Implementation phase)	



Annex 10: Meeting minutes from stakeholder consultations carried out in May/June 2026

Minutes of the Stakeholder Consultation Meeting

Project Name:	Western Balkans Trade and Transport Facilitation Project – Phase 2
Project No:	MNE-WBTTFP-94710
Date:	12.05.2026 at 8am
Location:	Ministry of Transport
Participants:	MoT Bojana Laković ZICG Tamara Todorović PIU Sonja Mamić, Nataša Veljković, Milica Daković Representatives of the national institutions and railway companies

Introduction

On May 12, 2026, representatives of the Ministry of Transport (MoT), Railway Infrastructure of Montenegro (ZICG) and the Project Implementation Unit (PIU), conducted a stakeholder consultation meeting with representatives of public institutions and railway companies.

The purpose of the meeting was to familiarize participants with the Project and the recent activities undertaken by the MoT in relation to its progress, with particular emphasis on Component 2, as well as to present the key Environmental and Social (E&S) requirements in accordance with the World Bank Environmental and Social Standards.

A total of 12 participants attended the stakeholder consultation meeting, representing the following institutions: the Customs Administration, the Environmental Protection Agency, the Ministry of Maritime Affairs, Railway Passenger Transport of Montenegro, Montecargo, and the Ministry of Transport (the Attendance sheet and photo log provided in Appendices 1 and 2).

All participants were provided with a Project leaflet containing key information about the Project and the related Environmental and Social (E&S) requirements, as well as copies of the presentation materials.



Topics discussed

Mrs. Bojana Lakovic (Acting Director General of the Directorate for capital projects and international cooperation, MoT) opened the meeting and presented to the participants key information about the project. The Loan Agreement for the Second Phase of the Western Balkans Trade and Transport Facilitation Project (TTFP) in Montenegro was signed with the World Bank on 13 February 2023, with project completion scheduled for 30 April 2028. The MoT is responsible for overall project implementation, with key beneficiaries including the Ministry of Finance and Customs Administration, the Ministry of Maritime Affairs, and the ZICG. Phase 2 further focuses on strengthening climate resilience in the transport sector through targeted railway infrastructure improvements, early warning systems, and institutional capacity building, in line with regional strategies and commitments. Additionally, EUR 9.5 million in SSTP grant funding has been approved to support railway crossing upgrades and related infrastructure, with grant agreements expected to be signed in June 2026. As part of project restructuring to accommodate the grant, certain activities have been revised, including replacing the digitalization of the Port of Bar with the implementation of a Port Community System. Key activities also include updating the Transport Development Strategy (2019–2035) and preparing revised environmental and social management documentation in accordance with World Bank standards and national legislation.

Mrs. Sonja Mamic (Project Manager, PIU) introduced the participants to the Project components in greater detail, with particular emphasis on the key features of Component 2 and provided an overall overview of the activities undertaken by the PIU to date as well as the purpose of the consultation meetings. In addition to the improvement of 22 rail level crossings on the Podgorica–Nikšić and Podgorica-Bar line and the construction of an underpass and alternative road to eliminate two railway level crossings on the Nikšić–Podgorica line, other specific activities that were highlighted are the development of the National Single Window and preparation of the Draft Law on the NSW, development of the Port Community System, and preparation of the technical designs for the building and equipment of the new customs inspection facility at the Port of Bar, including procurement of related equipment. These activities were emphasized as they could potentially have environmental and/or social impacts.

Mrs. Tamara Todorovic (PIU, ZICG) introduced the participants to the Project from the perspective of ZICG, highlighting its importance for enhancing future railway safety and improving the efficiency of rail transport. It was emphasized that the project aims to reduce trade costs and improve transport efficiency through streamlined documentation processes, increased transparency, and reduced administrative burdens, ultimately enhancing competitiveness and lowering emissions.

Mrs. Natasa Veljkovic (Environmental Expert, PIU) introduced the participants to the key environmental requirements to be implemented under the Project in accordance with the World Bank Environmental and Social Standards, highlighting the level of environmental risks and the recent activities related to the update of the Environmental and Social (E&S) documentation relevant to the Project. In addition, she explained that the environmental risks are connected mainly to construction activities under components 1 and 2 of the Project and that mitigation measures related to recognised risks have been developed. Key environmental mitigation measures are related to air, noise, waste and water drainage management.



Mrs. Milica Dakovic (Social Expert, PIU) introduced the participants to the key social aspects of the Project that are being considered and implemented in accordance with the World Bank Environmental and Social Standards. Particular emphasis was placed on the importance of timely consultations with relevant stakeholders throughout all stages of the Project. The participants were also introduced to the set of documents prepared and publicly disclosed online as part of the Project disclosure package addressing the social aspects of the Project, including the Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Stakeholder Engagement Plan (SEP), and Labor Management Procedures (LMP). Mrs. Dakovic provided key information regarding the potential social impacts of the Project, noting that the activities financed under the World Bank grant will not require permanent land acquisition or expropriation. At the same time, potential social risks and impacts have already been identified and are being addressed through appropriate mitigation measures. Furthermore, Mrs. Dakovic emphasized the importance of the public consultation process and provided the participants with detailed information on the Project Grievance Mechanism.

There were no additional questions raised by the participants.



Appendix 1_Attendance sheet

Western Balkans Trade and Transport Facilitation Project Phase 2



Subject: Stakeholder Consultation Meeting

Stakeholder group: National institutions

Location: NOT, PODGORICA

Date: 12/05/2026

Time: 08:00

Organized by: Project Implementation Unit (PIU)

ATTENDANCE SHEET

ORGANISATION	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
NOT	Bojana Labovic	Acting Director General, coordinator	bojana.labovic@nisa.gov.me	067 860240	Bojana Labovic
PIU	Tomara Todorovic	PIU	tomara.todorovic@piu.gov.me	068 864791	Tomara Todorovic
PIU NOT	Milica Dancic	ADJUTANT	milica.dancic@piu.gov.me	069 459 926	Milica Dancic
PIU NOT	Natasa Veljkovic	ENV. EXPERT	natasa.veljkovic@outlook.com	060 411 0457	Natasa Veljkovic
EPA	Dragan Mirovic	collegium	dragan.mirovic@epa.org.me	067 378-194	Dragan Mirovic
Customs Administration	Milos Vujovic	adviser	milos.vujovic@carina.gov.me	067 4979 24	Milos Vujovic
MONA	Stefan Milanovic	adviser	stefan.milanovic@up.gov.me	067 66 96 22	Stefan Milanovic

Western Balkans Trade and Transport Facilitation Project Phase 2



ORGANISATION	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
ŽPCG	Miroslav Đurđević	Memorizer za OVP plan i analizu RV	miroslav.durdjevic@zpcg.me	068/852-888	Miroslav Đurđević
NOT	Filip Spasić	YNKE	filip.spasic@nisa.gov.me	069-641-886	Filip Spasić
MONTECARGO	Kajko Dženež	direktor, sektor za komercijalno	kajko.dzenet@montecargo.me	067482180	Kajko Dženež
MONTECARGO	Jovan Dželebrić	direktor, sektor za komercijalno	jovan.dzebric@montecargo.me	068/877 995	Jovan Dželebrić
PIU NOT	Sonja Maric	project manager	sonja.maric@piu.gov.me	06323 1233	Sonja Maric



Appendix 2_Photo log





Minutes of the Stakeholder Consultation Meeting

Project Name: Western Balkans Trade and Transport Facilitation Project
– Phase 2

Project No: MNE-WBTTFP-94710

Date: 19.05.2026 at 9:30am

Location: Municipality Danilovgrad

Participants: MoT-Direktorat za željeznički saobraćaj, Slavica Knežević
ŽICG Tamara Todorović
PIU Sonja Mamić, Nataša Veljković, Milica Daković
Representatives of the Municipality of Danilovgrad and
the residents of the local communities.

Introduction

On 19 May 2026, representatives of the Ministry of Transport (MoT), the Railway Infrastructure of Montenegro (ŽICG), and the Project Implementation Unit (PIU) held a consultative meeting with stakeholders, attended by representatives of the Municipality of Danilovgrad and municipal secretariats, as well as local residents from the local communities (LC Jelenak-Martinići, LC Gorica, LC Vražegrmci, and Lalevići). The purpose of the meeting was to familiarize participants with the Project and the recent activities undertaken by the Ministry of Transport regarding its implementation, with a particular focus on Component 2, as well as to present the key environmental and social (E&S) requirements in accordance with World Bank standards.

A total of 16 participants attended the meeting.

All participants were provided with a promotional leaflet about the Project, containing key information about the Project and the relevant environmental and social (E&S) requirements, as well as copies of the presentation materials.

Topics discussed

Ms. Sonja Mamić (Project Manager, PIU) opened the meeting and presented the project components, with a particular focus on Component 2, as well as an overview of the activities implemented by the PIU to date and the purpose of the consultative meetings. In addition to the upgrading of 22 railway crossings on the Podgorica–Nikšić railway line and the construction of an underpass and an alternative road to eliminate two railway crossings on the Podgorica–Nikšić and Podgorica–Bar railway lines, activities such as the development of the National Single Window (NSW) and the preparation of the Draft Law on the NSW, as well as the development of the Port Community System, were highlighted.



Ms. Tamara Todorović (ŽICG) presented the project from the perspective of ŽICG, emphasizing its importance for improving railway traffic safety and transport efficiency. It was highlighted that the project aims to reduce trade costs and improve transport efficiency through the simplification of procedures, increased transparency, and the reduction of administrative burdens, thereby contributing to enhanced competitiveness and reduced emissions.

Ms. Slavica Knežević (Acting Director General of the Directorate for Railway Transport) emphasized the importance of modernization from the perspective of traffic safety and efficiency, as well as the particular importance of the Podgorica–Nikšić railway line due to its connection with Čapljina, which forms part of the Pan-European Corridor.

Ms. Milica Daković (Social Specialist, PIU) presented the key social aspects of the project that are being considered and implemented in accordance with World Bank standards. Particular emphasis was placed on the importance of timely consultations with stakeholders throughout all phases of the project. Participants were also informed about the documents prepared and publicly disclosed under the project, including the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF), the Stakeholder Engagement Plan (SEP), and the Labor Management Procedures (LMP). Ms. Daković presented the potential social impacts of the project, emphasizing that activities financed through World Bank grant funds do not require permanent land acquisition or expropriation, but that potential risks have already been identified and addressed through appropriate mitigation measures. She also highlighted the importance of the public consultation process and presented the grievance mechanism established within the project.

Participants were actively engaged during the consultative meeting and presented the following comments, remarks, and suggestions:

1. Mr. Željko Savović (Lalevići village)

- He lives 200 meters from the railway line.
- The issue of railway crossings has been a long-standing concern. Residents possess a document in which ŽICG committed to constructing an underpass in Lalevići. He also noted that, in the past, the Municipality of Danilovgrad had planned a railway crossing opposite the marble factory in order to prevent flooding, which is a frequent occurrence in that area.
- Residents of Lalevići are exposed on a daily basis to health and safety risks because they pass underneath the high-voltage power network.
- He announced that if the planned railway crossing modernization proceeds, the residents of Lalevići will react in order to ensure that their long-standing demands are fulfilled, as they had previously ceded their land during the construction of the railway line.
- He invited representatives of the Ministry of Transport (MoT) and ŽICG to visit the site in order to assess the situation firsthand.
- He considers that the selection of the 22 railway crossings is inadequate and that the village of Lalevići was not taken into consideration, and therefore requested that the issue of the railway crossing in Lalevići, as well as the paving of the access road, be resolved.



- He pointed out the issue concerning the well in Pažići–Lalevići, as it is connected with the receiving waters, which may have an impact on the biodiversity of the Zeta River (trout population).
- He pointed out the poor condition of the trains and the lack of hygiene.
- He proposed that residents – landowners in the Podostrog villages area – should receive free train tickets on weekends, as depopulation is occurring, while such a measure could encourage residents to return to the villages.
- He asked whether there is an obligation to install protective fencing along the railway line, as this is necessary for the villages of Lalevići. Representatives of the MoT stated that there is an obligation to install protective fencing, but only on certain sections of the railway line, and that funding for this purpose would be planned in the future.
- His key remark referred to the fact that the residents of Lalevići were not initially consulted by the competent institutions regarding the definition of the railway crossings and overpasses to be included in the modernization project; that there is a lack of continuity in project planning policies; and that the issue of constructing an underpass in Lalevići remains unresolved and will likely be raised again and potentially affect the implementation of the project if not addressed in a timely manner.

2. Mr. Novo Stanišić (LC Vražegrmci)

- He stated that 85% of the local community’s population relocated during the construction of the railway.
- He asked whether there is a possibility of procuring a new train.
- He pointed out that if works are carried out, attention must be paid to preserving the quality of access roads affected by the movement of machinery. He noted that during the implementation of the railway electrification project, this issue had not been adequately considered, resulting in damage to roads caused by construction machinery.
- He pointed out the need for regular analysis of water quality from the railway station or consideration of constructing a new water intake system. ZICG indicated that the Danilovgrad station is connected to the public water supply network, while the control and monitoring of drinking water quality are carried out by the water supply operator (Danilovgrad Water Utility).
- He pointed out that the railway stations Slap and Ostrog, although equipped with three tracks, are inaccessible for cargo transshipment and freight transport, and therefore suggested constructing a road for these purposes and enabling goods transshipment.
- He stated that the railway line would only make sense if it were further connected to Bosnia and Herzegovina and Serbia, and asked about the possibility of connecting the existing railway line with Republika Srpska.

3. Ms. Gordana Razić (LC Gorica)

- She emphasized the importance of optimizing railway crossings.
- She raised a remark regarding the train timetable. Representatives of the MoT suggested contacting ŽPCG regarding the new timetable in accordance to citizens needs.

4. Mr. Slobodan Mišković (LC Jelenak)

- He remarked that a very small number of passengers use the Podgorica–Nikšić railway line and pointed out the need to procure two new trains.



5. Mr. Dušan Stijović

- He emphasized the importance of the corridor towards Čapljina and its connection with European corridors, as well as the need to connect the Podgorica–Nikšić railway line to those corridors.

Following the comments and suggestions raised by the residents, Ms. Daković provided participants with more detailed information regarding World Bank standards related to the timely and continuous informing of stakeholders about the project, emphasizing that the purpose of the consultative meeting itself was to inform stakeholders about the project at an early stage. Participants were also informed about the Entitlement Matrix, as well as the possibility of using the Grievance Mechanism in the event of any comments or complaints during different phases of the project. On the other hand, it was emphasized that the purpose of this consultative meeting was specifically related to the implementation of Component 2 and the activities it entails, while also highlighting that consultations are a continuous process that will continue in the future period.

Appendix 1_Attendance sheet

Western Balkans Trade and Transport Facilitation Project Phase 2



**ŽELJEZNIČKA
INFRASTRUKTURA
CRNE GORE
AD PODGORICA**



WORLD BANK GROUP

Subject: Stakeholder Consultation Meeting

Stakeholder group: Municipality Danilovgrad and the pertaining stakeholders

Location: MUNICIPALITY DANILOVGRAD

Date: 19.05.2026

Time: 09:30

Organized by: Project Implementation Unit (PIU)

ATTENDANCE SHEET

INSTITUTION	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
2. JEDINICA-MARTIN	Duran Stojan	ČINU M.2.	Duran.Stojan@SE-HR.COM	061 240 270	Stojan S.
-H-	Slobodan Misković PRESTOJ	PRESTOJ	067/644588	07/222004	pm
MY GORICA	Gordana Razić	predsjednica savjeta M2	GordanaRazic18@gmail.com	069 346 666	GR
M3 Bpaukefms	Hob Paramentić	direktor M3 Bpaukefms		068 589 956	Hob Paramentić
SEKR. ZA KOT. POSOV. I SPOBRAC	BRANKA KEJAK	SEKRETARICA SEKRETARI	branka.kejak@lonilic.hr	067/102-352	Branka
SEKR. ZA INOVIN. INVESTICIJE I ZASTUP.	Vojislav BOSKOVIĆ	VISI JAVNE I ZA UPRAVLJANJE IMOVINOM	inovacije@danilovic.hr	062/673-100	Vojislav Bosković
SEKR. ZA INOVIN. INVESTICIJE I ZASTUP.	Željko Reano		reano@zuzana.org@gmail.com	067/545-715	Željko Reano
SEKR. ZA LOKALNU SAMOUPRAVU	RUK JANILOVIĆ	SEKRETAR	ruk.janilovic@delirioz.com	069149494	RUK

Western Balkans Trade and Transport Facilitation Project Phase 2



**ŽELJEZNIČKA
INFRASTRUKTURA
CRNE GORE
AD-PODGORICA**



WORLD BANK GROUP

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Appendix 2_Photo log





Minutes of the Stakeholder Consultation Meeting

Project Name: Western Balkans Trade and Transport Facilitation Project
– Phase 2

Project No: MNE-WBTTFP-94710

Date: 19.05.2026 at 1pm

Location: Municipality Niksic

Participants: ŽICG Tamara Todorović
PIU Sonja Mamić, Nataša Veljković, Milica Daković
Representatives of Niksic municipality

Introduction

On 19 May 2026, representatives of the Railway Infrastructure of Montenegro (ŽICG) and the Ministry of Transport Project Implementation Unit (PIU) held a consultative meeting with representatives of the Municipality of Nikšić. The purpose of the meeting was to familiarize participants with the Project and the recent activities undertaken by the Ministry of Transport regarding its implementation, with a particular focus on Component 2, as well as to present the key environmental and social (E&S) requirements in accordance with the World Bank standards.

A total of 7 participants attended the meeting, including 3 representatives from the Municipality of Nikšić and the Secretariat for Communal Affairs and Transport.

All participants were provided with a leaflet about the Project, containing key information about the Project and the relevant environmental and social (E&S) requirements, as well as copies of the presentation materials.



Topics discussed

Ms. Sonja Mamić (Project Manager, PIU) provided a more detailed presentation of the project components, with a particular focus on Component 2, as well as an overview of the activities implemented by the PIU to date and the purpose of the consultative meetings. In addition to the upgrading of 22 railway crossings on the Podgorica–Nikšić railway line and the construction of an underpass and an alternative road to eliminate two railway crossings on the Podgorica–Nikšić and Podgorica–Bar railway lines, activities such as the development of the National Single Window (NSW) and the preparation of the Draft Law on the NSW, the development of the Port Community System, as well as the preparation of technical documentation for the construction and equipping of a new customs inspection facility in the Port of Bar, including the procurement of equipment, were highlighted.

Ms. Tamara Todorović (ŽICG) presented the project from the perspective of ŽICG, emphasizing its importance for improving railway traffic safety and transport efficiency. It was highlighted that the project aims to reduce trade costs and improve transport efficiency through the simplification of procedures, increased transparency, and the reduction of administrative burdens, thereby contributing to enhanced competitiveness and reduced emissions.

Ms. Milica Daković (Social Specialist, PIU) presented the key social aspects of the project that are being considered and implemented in accordance with World Bank standards. Particular emphasis was placed on the importance of timely consultations with stakeholders throughout all phases of the project. Participants were also informed about the documents prepared and publicly disclosed under the project, including the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF), the Stakeholder Engagement Plan (SEP), and the Labor Management Procedures (LMP). Ms. Daković presented the potential social impacts of the project, emphasizing that activities financed through the World Bank grant funds do not require permanent land acquisition or expropriation, but that potential risks have already been identified and addressed through appropriate mitigation measures. She also highlighted the importance of the public consultation process and presented the grievance mechanism established within the project.

Ms. Nataša Veljković (Environmental Specialist, PIU) informed participants about the key environmental requirements applicable under the project in accordance with World Bank standards, highlighting the level of environmental risks and the activities related to updating environmental and social documentation. It was emphasized that environmental risks are mainly associated with construction works under Components 1 and 2, and that mitigation measures have been defined, particularly in the areas of air quality, noise, waste management, and water drainage.

Participants raised the following issues:

1. Mr. Vidak Krtolica, Vice President of the Municipality of Nikšić

- He emphasized the importance of the railway and railway transport in the context of the future Adriatic-Ionian Highway project, as well as the importance of investing in railway infrastructure in terms of regional connectivity.



- He asked about the current stage of preparation of the Čapljina–Nikšić study. ŽICG indicated that the preparation of the 'Preliminary Design, Studies and Spatial Planning Document for the Regional Railway Line Čapljina–Trebinje–Nikšić' had been completed in the previous period. The project included a preliminary transport study, a preliminary environmental impact assessment, a preliminary cost estimate, and a preliminary design solution.
- He pointed out the issue and the need to resolve the matter of the industrial railway track near the Nikšić Steel Plant and its immediate proximity to the main road.
- He highlighted the need to install protective fences in populated areas located along the railway line.
- It was noted that Kličevo 2 had previously been planned to include an underpass as well, but this is not envisaged under the current project. Residents of the Kličevo settlement have expressed the need for the construction of an underpass at that location for an extended period of time.

2. Mr. Milan Bošković, Head of the Transport Sector

- It was pointed out that within the territory of the Municipality of Nikšić there is only one railway crossing (Kličevo 2) included in the railway crossing modernization project. The remaining crossings are located within the territory of the Municipality of Danilovgrad, while the Dabovići railway crossing is situated on the border between the two municipalities.



Appendix 1_Attendance sheet

Western Balkans Trade and Transport Facilitation Project Phase 2



ZVEZDICA
INFRASTRUKTURA
CRNE GORE
AD-PODGORICA



WORLD BANK GROUP

Subject: Stakeholder Consultation Meeting

Stakeholder group: Municipality Nikšić and the pertaining stakeholders

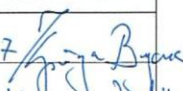
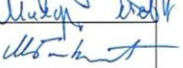
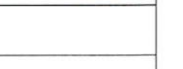
Location: Municipality Nikšić

Date: 19.05.2026

Time: 13:00

Organized by: Project Implementation Unit (PIU)

ATTENDANCE SHEET

INSTITUTION	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
Opština Nikšić	Krolica Vidar	POTPREDSJEDNIK	VIDAR.KROLICA@niksic.me	067/450-267	
Opština Nikšić	Milodan Zecević	SEKRETAR ZA KOMUNALNE POSLOVE I SAOP.	MILODAN.ZEC@niksic.me	067/422/128	
Opština Nikšić	Bošković Milica	SEKRETAR ZA POSLOVE I SAOP.	bozovic.milica@niksic.me	067 230 925	
PIU MOT	Sara Memic	project manager	sara.memic@msz.gov.me	063 231 203	
PIU MOT	Natasa Veljkovic	Env. Expert (online)	natasa.veljkovic@outlook.com	060 711 0455	
PIU MOT	Milica Delovic	Social Expert	milica.delovic@pscconsulting.co.me	069 459 126	
RIOM	Tamara Todorovic	PIU	tamara.todorovic@zicg.me	068 869 991	

Appendix 2_Photo log





Minutes of the Stakeholder Consultation Meeting

Project Name:	Western Balkans Trade and Transport Facilitation Project – Phase 2
Project No:	MNE-WBTTFP-94710
Date:	27.05.2026 at 9am
Location:	online
Participants:	PIU Sonja Mamić, Nataša Veljković, Milica Daković NGO representatives: Stefan Bulatović, NGO Biciklo.me Kristijan Čalić, NGO Center for climate change, natural resources and energy, University Donja Gorica Blažo Crvenica, NGO Terra

Introduction

On 27 May 2026, representatives of the Ministry of Transport Project Implementation Unit (PIU) held a consultation meeting with representatives of the NGO sector. The purpose of the meeting was to familiarize participants with the Project and the recent activities undertaken by the Ministry of Transport in relation to its implementation, with a particular focus on Component 2, as well as to present the key Environmental and Social (E&S) requirements in accordance with World Bank standards.

A total of six participants attended the meeting, including three representatives of NGOs.

Topics discussed

Ms. Sonja Mamić (Project Manager, PIU) provided a more detailed presentation of the project components, with a particular focus on Component 2, as well as an overview of the activities implemented by the PIU to date and the purpose of the consultation meetings. In addition to the upgrading of 22 railway crossings on the Podgorica–Nikšić railway line and the construction of an underpass and an alternative road to eliminate two railway crossings on the Podgorica–Nikšić and Podgorica–Bar railway lines, activities such as the development of the National Single Window (NSW) and the preparation of the Draft Law on the NSW, the development of the Port Information System, and the preparation of technical documentation for the construction and equipping of a new customs inspection facility at the Port of Bar, including the procurement of equipment, were also highlighted.

Ms. Nataša Veljković (Environmental Specialist, PIU) informed participants about the key environmental requirements applicable to the project in accordance with World Bank standards, highlighting the level of environmental risks and activities related to updating environmental and social (E&S) documentation. It was emphasized that environmental risks have been assessed as moderate and are mainly associated with construction works under Components 1 and 2. Mitigation measures have been defined, particularly in the areas of air quality, noise management, waste management, and water drainage.

Ms. Milica Daković (Social Specialist, PIU) presented the key social aspects of the project that are being considered and implemented in line with World Bank standards. Particular emphasis was placed on the importance of timely stakeholder consultations throughout all stages of the project.



Participants were also informed about the documents prepared and publicly disclosed under the project, including the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF), the Stakeholder Engagement Plan (SEP), and the Labor Management Procedures (LMP). Ms. Daković presented the potential social impacts of the project, emphasizing that activities financed through World Bank grant funds do not require permanent land acquisition or expropriation, but that potential risks have already been identified and addressed through appropriate mitigation measures. She also highlighted the importance of the public consultation process and presented the grievance mechanism established under the project.

Participants raised the following issues:

1. Mr. Stefan Bulatović, NGO Biciklo.me

Following the presentation, Mr. Bulatović raised the following questions:

1. Does the project envisage adapting railway crossings in a way that also addresses pedestrian crossings?
2. What does the rehabilitation of the 22 railway crossings entail, and does it include pedestrian crossings?
3. Is it possible to review the design of the Airport underpass project?

Ms. Mamić explained that the project does not include dedicated pedestrian crossings, as all railway crossings at the specified locations have already been reconstructed from a civil engineering perspective. The planned interventions are limited to improving safety at railway crossings through enhanced signaling. At only one location, the works also include civil engineering interventions in the form of installing rubber panels at the railway crossing. Regarding the Airport railway stop underpass project, access to the design will only be possible once the project documentation has been prepared, considering that the project will be implemented under a Design & Build approach.

Mr. Bulatović suggested that particular attention should be paid to persons with disabilities, including the provision of lighting, tactile paving, and accessible crossings. The PIU clarified that this issue is being carefully considered, given that the World Bank places special emphasis on vulnerable groups, and that these considerations have been duly reflected in the project's environmental and social documentation.



Minutes of the Stakeholder Consultation Meeting

Project Name: Western Balkans Trade and Transport Facilitation Project – Phase 2

Project No: MNE-WBTTFP-94710

Date: 09.06.2026 at 9am

Location: Winery ‘Radevic’

Participants: PIU representatives: Sonja Mamic, Milica Dakovic
ZICG representatives: Tamara Todorovic, Radovan Vujovic, Radovan Jovanovic
Stakeholder: Goran Radevic, Winery 'Radevic' owner

Introduction

On 9 June 2026, representatives of the Ministry of Transport Project Implementation Unit (PIU) and the Railway Infrastructure of Montenegro (ŽICG) held a consultation meeting with a stakeholder, namely the representative and owner of the legal entity “Radević Winery”, which is located in the immediate vicinity of the “Laze Radevića” railway crossing (km 48+124).

The purpose of the meeting was to inform the company about the Project and the planned activities, with particular emphasis on the interventions envisaged at railway crossings. The meeting also provided an opportunity to present the key Environmental and Social (E&S) requirements applicable to the Project in accordance with World Bank standards, with a specific focus on social aspects and the rights of stakeholders throughout the Project implementation process.

A total of six participants attended the meeting.



Topics discussed

Ms. Sonja Mamić (Project Manager, PIU) provided a detailed presentation of the Project components, with particular emphasis on Component 2 and the planned activities related to the upgrade of 22 railway crossings. During her presentation, she outlined the envisaged project activities and implementation timeline, highlighting that the railway crossing upgrade project will be carried out through a Design & Build approach, whereby the selected contractor will be responsible for both the preparation of the design documentation and the execution of works. These activities will be supervised by an independent Supervision Engineer to be selected through a procurement process currently underway.

With regard to the implementation schedule, it was noted that the overall project completion deadline is April 2028, while construction works are expected to commence in early 2027, subject to the fulfillment of the necessary preconditions, including the preparation and approval of design documentation and the issuance of the required construction permits.

Ms. Tamara Todorović (Railway Infrastructure of Montenegro – ŽICG) presented the Project from the perspective of ŽICG, emphasizing its importance for improving railway safety and enhancing transport efficiency. It was highlighted that the Project aims to reduce trade-related costs and improve transport efficiency through streamlined procedures, increased transparency, and reduced administrative burdens. Particular emphasis was placed on the fact that the modernization of railway crossings will contribute to safer and more efficient transportation for both local communities and business entities operating in the area.

Ms. Milica Daković (Social Specialist, PIU) presented the key social aspects of the Project that are being considered and implemented in accordance with World Bank standards. Particular attention was given to the importance of timely and meaningful stakeholder engagement throughout all phases of Project implementation. Ms. Daković emphasized that the Project does not envisage permanent land acquisition or expropriation; however, potential social risks have been identified and addressed through appropriate mitigation measures. She also highlighted the importance of maintaining continuous public consultations and presented the Project Grievance Mechanism, including information on how stakeholders may access and utilize it during the various stages of Project implementation.

Mr. Goran Radević (stakeholder and owner of “Radević Winery”) informed participants about the previous initiatives and activities that led to the construction of the existing “Laze Radevića” railway crossing. He explained that, as the owner of land located on both sides of the railway line, he submitted an initiative to ŽICG in 2008 requesting the construction of a railway crossing that would provide access to the future winery and could also be used by the local population. The initiative was additionally supported by local residents through a signed petition requesting the construction of the crossing, with only two residents opposing the proposed location as they preferred the crossing to be situated closer to their properties.



Following the submission of the initiative, ŽICG identified the location of the crossing and proceeded with its design and construction. Mr. Radević further explained that he had proposed the preparation of an underpass design and expressed his willingness to finance its construction using his own resources. However, this proposal was not approved due to the fact that the railway line had already been reconstructed and the technical conditions required for the construction of an underpass were not available at that time.

Mr. Radević also shared his personal experience of a serious traffic accident that occurred at the railway crossing in 2013, when the vehicle in which he was travelling with his daughter stalled while on the crossing and was subsequently struck by a train. As a result of the collision, Mr. Radević sustained severe injuries and remained in a coma for five days, while his daughter suffered minor injuries. Drawing on this experience, he stressed that the implementation of the proposed railway crossing upgrade project is both urgent and necessary. He expressed his full support for the Project and confirmed his willingness to actively participate in and support its implementation in order to contribute to improving safety conditions at the crossing.



Appendix 1_Attendance sheet

Western Balkans Trade and Transport Facilitation Project Phase 2



WORLD BANK GROUP

Subject: Stakeholder Consultation Meeting

Stakeholder group: Businesses in the Area of Influence

Location: Viharija Radović

Date: 9.6.2026.

Time: 9-10 h

Organised by: Project Implementation Unit (PIU)

ATTENDANCE SHEET

COMPANY	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
PIU	Souja Manić	project manager	souja.manic@usa.gov	063231283	
PIU	MILICA JAROVIC	legal expert	milica.jarovic@usa.gov	009458828	
RADEVIC ESTATE WINERY	GORAN RADEVIC	OWNER	dr.goran.radevic@gmail.com	069/276055	
ŽELJEZNIČKA INFRASTRUKTURA	RADOVAN KUJOVIC	ZAMENIK SEFA PD.DANILOVIC	rvkujovic5@gmail.com	067/012-955	
R1011	Tamara Todoric	PIU	tamara.todorovic@piu.gov.me	068/869471	



Appendix 2_Photo log

