

Montenegro
Western Balkans Trade and Transport Facilitation Project Phase
2
(Additional Financing)
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Resettlement Policy Framework
(RPF)

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Acronyms

AF	Additional Financing
BoE	Beneficiary of Expropriation
CC	Constitutional Court
CFD	Central Feedback Desk
E&S	Environmental and Social
ESF	Environmental and Social Framework
ESS	Environmental and Social Standards of World Bank
ESS5	ESS on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
EU	European Union
GM	Grievance Mechanism
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
LM	Local Municipalities
LGD	Local Grievance Desk(s)
MoT	Ministry of Transport
MoF	Ministry of Finance
NSW	National Single Window
PAP	Project Affected People
PIU	Project Implementation Unit
RLC	Rail Level Crossing
RAP	Resettlement Action Plan
RP	Resettlement Plan
RPF	Resettlement Policy Framework (this document)
SEL	Stakeholder Engagement Log
WB	World Bank

Annexes

- Annex A: The list of Level crossings (LCs), their current security and proposed project activities
- Annex B: Photo documents of RLCs for upgrade and reconstruction
- Annex C: Other laws and regulations influencing involuntary land acquisition and resettlement
- Annex D: RAP Entitlements Matrix
- Annex E: Public grievance form

Glossary of terms

CUT-OFF DATE	The cut-off day will be the day of beginning of the census. If a person(s) should occupy the project area after the Cut-off date, they will not be eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the Cut-off date will not be compensated. In advance of MoT will publish a moratorium notice in local newspapers, informing of the initiation of the expropriation process. The Cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and at consultation meetings, with an accompanying explanation. This information will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal and that no investment afterwards will be compensated.
ECONOMIC DISPLACEMENT	Includes all loss of income sources or means of livelihood as a result of land acquisition or restricted access to resources (land, water, or forest) as a result of Project implementation, regardless whether affected persons must move to another location or not.
ENTITLEMENT	The right to receive compensation and other forms of assistance in accordance with the Law on Expropriation and this RPF in the respective eligibility category.
EXPROPRIATION	The process whereby a public authority, in return for compensation, requires a person, household or community to relinquish rights to properties (land and structures) that it occupies or otherwise uses by the power of eminent domain
FORCED EVICTION	Refers to permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this RPF. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this RPF, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate, or excessive force). Forced evictions refer to the coerced displacement of individuals, groups and communities from their homes, lands and/or common property resources (either legally owned or informally occupied) without the provision of, and access to, appropriate forms of legal and other protection.
INVOLUNTARY RESETTLEMENT	Refers to Project-related impacts of resettlement without persons affected having the right to decline land acquisition or restrictions on land use, physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of lawful expropriation or restrictions on land use based on eminent domain; and in cases of negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
LAND	Land includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies
LAND ACQUISITION	“Land acquisition” refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property, and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible.
LIVELIHOOD	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods (ecosystem services), petty trade and bartering.

MOVING ALLOWANCE	The cash compensation for expenses directly associated to moving/relocation of the household or business – calculated as part of the compensation package for resettlement cost.
PHYSICAL DISPLACEMENT	Loss of shelter and assets resulting from the property acquisition associated with the Project that requires PAPs to move from home, work place or business premises to another location.
PROJECT AFFECTED PERSON (PAP)	Any person who, because of the implementation of the (sub)-project suffers impacts stemming from involuntary land acquisition and resettlement is referred to as a Project Affected Person.
REPLACEMENT COST	Replacement cost is defined as a method of valuation yielding compensation sufficient to replace assets increased by necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons.
RESTRICTIONS ON LAND USE	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones.
STAKEHOLDERS	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a Project, or having interest in and the ability to influence the Project.
TRANSITIONAL ALLOWANCE	Refers to one-off (cash or other) assistance to be provided for relocation of household members and their possessions (or business equipment and inventory) to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.
VULNERABLE GROUP/INDIVIDUALS	Refers to people below the poverty line, the landless, the elderly, women and children, and those who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

A. Introduction

This document constitutes a simplified template for a Resettlement Policy Framework (RPF) prepared for a Low or Moderate Risk project, consistent with requirements of the World Bank Environmental and Social Framework.¹ Its fundamental purpose is to establish terms of agreement between relevant authorities in the Ministry of Transport (MoT) of Montenegro and the World Bank (WB) regarding principles and procedures to be used in subsequent preparation of a Resettlement Action Plan (RAP) or Resettlement Plans (RPs).²

Operations and activities for which the WB Investment Project Financing (IPF) is sought after October 1, 2018, fall under the application of the Environmental and Social Framework (ESF)³. The ESF is comprised of, inter alia, the 10 Environmental and Social Standards (ESS) setting out mandatory requirements for the Borrower and the Project. ESS5 in particular sets out the requirements for Borrowers relating to the identification and assessment of social risks and impacts associated with projects supported activities requiring land acquisition, restrictions on land and Involuntary Resettlement. The likely nature or magnitude of the land acquisition or restrictions on land use related to the project with potential to cause physical and/or economic displacement is unlikely but unknown during project preparation, a Resettlement Policy Framework (RPF)– this document, was prepared. The RPF is prepared on a precautionary basis as land acquisition is not anticipated at this time and the likelihood is low, as elaborated in section B. WB approval of the RAP is required before the commencement of works that may cause physical or economic displacement due to land acquisition or restrictions on access to or use of natural resources. The RAP must therefore be prepared and approved prior to the initiation of land acquisition and fully implemented before works formally commence on the affected land, ideally to avoid delays at the time the tender is launched.

The **RPF** establishes binding principles and procedures applicable to all cases of involuntary land acquisition as defined under **ESS5**. It guides planning so as to avoid or minimize adverse impacts associated with physical or economic displacement, and to ensure that appropriate measures and arrangements are in place to mitigate and address any impacts that cannot be avoided. The MoT hereby agrees to apply the principles, procedures, and standards incorporated in ESS5 of the WB ESF if obtaining any sites for project use would cause economic displacement⁴ or physical displacement⁵. In addition, in order to achieve project compliance with ESS5, MoT is going to cooperate with all institutions in charge of land acquisition processes (e.g. Real Estate Administration, national and local departments) in order to ensure that they are carrying out all the relevant activities in accordance with this RPF. Thereby, this RPF is going to be duly communicated with the relevant national and local authorities, so as to ensure that the commitments defined under this RPF are implemented in compliance with the commitments defined herein.

The overarching objective of this RPF is to clarify resettlement principles, disclosure and consultations requirements, organizational arrangements, and design criteria to be applied during implementation of each component of this project which includes land-based activities, i.e. construction activities.

This RPF is intended to utilize the existing legal and policy framework of the MoT of Montenegro, incorporating any supplementary measures necessary to achieve consistency with ESS5 principles and standards.⁶

B. Project Objectives and Description

The objective of the Western Balkans Trade and Transport Facilitation Project (WB TTTF) is to reduce trade costs and increase transport efficiency in the Western Balkans Six (WB6). The development objective of the Second Phase of WB TTTF is to reduce trade costs and increase transport efficiency in Montenegro.

The Government of Montenegro has received support from the WB to implement the Second Phase of the Western Balkans Trade and Transport Facilitation Project (WBTTTF) in the total amount of USD 15,000,000.00 (equivalent). The Loan Agreement for the implementation of the WBTTTF project in Montenegro was signed on February 13, 2023 and Amendment No. 1 to the Loan Agreement was signed on May 27, 2024 and its closing date is 30 April 2028 (Parent project).

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 (AF) 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 the Digitalization of Port of Bar and by financing the improvement of the safety of the level crossings (LCs). The SSTP grant funding was approved by the SSTP Steering Committee Group to support the improvement of 22 rail level crossings on the Podgorica–Nikšić line (EUR 5.3 million) and the construction of one access road and 2 underpasses (1 pedestrian underpass and 1 underpass with an access road) on the Nikšić–Podgorica line (EUR 4.2 million) (Additional financing).

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 MoT and IBRD will proceed with formal signing of the grant agreement from the SSTP. The ultimate leadership and oversight of the Project will be with MoT while the governance of the Project, including aspects of managing environmental and social impacts, will be implemented by Project Implementation Unit (PIU) housed under the MoT, as well.

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 specific objectives of the Project for Montenegro are:

Component 1: Facilitating movement of goods across the Western Balkans focusing on: (i) the design and implementation of a National Single Window (NSW) solution for trade and the associated reform and modernization of Customs and other border management agency requirements; (ii) 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 focusing on (i) Design and implementation of Port Community System; (ii) Upgrade of 22 RLCs on the Podgorica-Niksic and Podgorica-Bar lines, removal of 2 critical crossings through construction of an underpass and an alternative road on the Podgorica-Niksic line and construction of the pedestrian underpass at the Airport Railway Stop, (iii) the update to existing National Transport Strategies to incorporate the Green Transport and the new EU Green Deal as well as preparation of specific transport strategies, studies and bylaws in transport sector, (iv) Internship and scholarship program in technical areas.

Component 3: This component will support the implementation of commitments to improve market access in services and foster regional investments.

Component 4: This component will support project implementation and provide additional technical support, including policy coordination, operating costs, and monitoring and evaluation of the project.

IDENTIFICATION OF PROJECT COMPONENTS THAT MAY REQUIRE PHYSICAL DISPLACEMENT OR LAND ACQUISITION

Among the 4 existing components of the Project, components 1, 3 and 4 do not involve field works, but include the reform of existing communication systems, the development of technical documentation, and other improvements to meet the main objective of the project - reducing trade costs and increasing transport efficiency in Montenegro. Among all the components, only activities under Component 2 subcomponent (ii) (in further text: *Component 2(ii)*), may require consideration of the potential for physical/economic displacement or land acquisition for project use, which is due to the fact that this component includes on-ground activities, i.e. construction works at the designated locations.

The initial due diligence confirmed that certain activities could entail land acquisition; however, such activities have been systematically excluded from the final Project scope. As a result, the Project has been structured to avoid physical and economic displacement, in line with the mitigation hierarchy and the requirements of ESS5. No land acquisition or restrictions on land use are therefore anticipated under the current design. All project components and sub-projects, i.e. individual RLCs have been developed in the manner to assess the potential for land acquisition. This manner of development of the project components allowed the MoT to identify the sub-projects which do not require any land acquisition, which is highly beneficial for overall project implementation and project acceptance. Thereby, the potential land-based impacts which may be expected in relation to Component 2 are primarily related to potential temporary restrictions on movement in the area of construction works, as well as potential temporary limitations related to access to land during movement of machinery and implementation of construction works. Such activities may lead to limited impacts on land, e.g. disturbance of land, limited damage to land due to movement of machinery, all of which is accounted for in the Entitlements Matrix in Annex D. Consequently, in order to address the potential risks, the PIU has prepared this Resettlement Policy Framework (RPF) to establish resettlement principles, organizational arrangements, and design criteria to be applied to subprojects, especially under *Component 2 (ii)* and to mitigate potential resettlement impacts.

The objective of the *Component 2 (ii)* is to enhance both the safety and operational efficiency of the railway infrastructure and improving overall traffic management, with a particular focus on the comprehensive modernization of critical railway level crossings. Through the modernization of key railway level crossings, the RLC subcomponent addresses critical safety vulnerabilities by introducing cutting-edge safety technologies, including automated signaling systems, enhanced barriers, and real-time monitoring.

The 2 main tasks of the assignment within the *Component 2 (ii)* 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
2. Construction of one underpass and an 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 proposed list of 22+2+1 LCs, current security and future state of signaling method/expected activities is provided in Annex A, while photos of the individual RLCs are provided in Annex B.

It should be noted that activities under component 2 are to be implemented on state-owned land within the Right of Way (brownfield locations), under the jurisdiction of Railway Infrastructure of Montenegro — AD Podgorica, the final beneficiary of the project. It is expected that the cadastral records of the historical land acquisition of the already existing public railway infrastructure will be available, and that purchase of new land parcels will not be required.

Component 2 involves the execution of works at 22 +2 +1 locations along the existing railway routes in Montenegro, which will be implemented in the local governments where these level crossings (LCs) are located.

The implementation of the project activities, in line with the conclusions of initial Due Diligence, is unlikely to require acquisition of new land for the Project. In addition, due to time constraints for Project implementation it has been decided that sub-projects where this might be the case will not be supported neither by the Parent project nor by Additional Financing. As per the information available during preparation of this RPF, project activities are going to be contained to the existing RLCs, with the use of the railway protection zone, and potential temporary use of limited surrounding areas during implementation of construction works. The RPF is prepared on a precautionary basis as land acquisition or historic land take issues are not anticipated at this time, and the likelihood is low. Nonetheless, each subproject will undergo a detailed screening for specific risks and impacts including involuntary land acquisition and resettlement. Should the screening and due diligence identify impacts falling under the application of **ESS5**, including legacy issues or historical claims related to land acquisition, this will trigger the application of the **RPF**. Due diligence and compliance of the design documentation is going to be done through the Consulting services for Tender preparation, Technical Control of Designs and Supervision of railway level crossings improvements and construction of underpasses, access road and pedestrian underpass. This assignment is going to ensure compliance of the technical documentation with the WB's ESF, i.e. all components of the project E&S documentation, including this RPF. Accordingly, the purpose of this RPF is to define the principles which shall be implemented during project implementation, to ensure that any land-based restrictions stemming from implementation of this project are duly mitigated.

The only subproject which includes direct on-site works related to the modernization/upgrade of RLCs, and that any additional activities are limited to a subproject within the existing, confined area of the Port of Bar, the Project will be implemented entirely within already established footprints. To this end, the only type of impacts are primarily associated with temporary land access/restrictions, and/or potential damage to land due to movement of machinery to, from and around the construction areas.

Once design documents for each sub-project component (i.e. detailed design for each RLC) are completed, each site will be subject of targeted socio-economic screening and assessment and proportionate to the scale and nature of impacts in order to identify potential social risks, including any potential loss of private assets, and to determine the applicability of ESS5. These activities are going to be carried out in accordance with ESMF and this RPF. Screening will be undertaken by a Consultant which is going to be engaged as part of the tender for "Consulting Services for Tender preparation, Technical Control of Designs and Supervision of railway level crossings improvements and construction of underpasses, access road and pedestrian underpass", whose engagement is expected by May 2026. If the screening procedure determines the ESS5 as relevant, a site-specific Resettlement Action Plan (RAP) will be developed for each respective sub-project.

C. Fundamental principles guiding resettlement

In WB-assisted projects, borrowers are expected to take all feasible measures to avoid or minimize adverse impacts from land acquisition and restrictions on land use associated with project development. The fundamental objective of ESS5 is to ensure that, if physical or economic displacement cannot be avoided, displaced persons (as defined below) are compensated at the replacement cost for land and other assets, and otherwise assisted as necessary to improve or at least restore their incomes and living standards.

This RPF provides binding principles applicable to all cases in which land or assets are impacted in the form of temporary loss of access, destruction of land, and any other land-based impacts caused by project implementation. These principles shall govern the PIU's actions, actions of its representatives, subsidiaries if any, contractors, all other state and local institutions involved in the Project implementation.

Principles guiding land-based impacts under the Project are outlined below:

- When unavoidable, adverse effects and social impact occur, all land-based impacts shall be mitigated by providing timely compensation for all impacts incurred due to project implementation.
- PAPs will be assisted in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher.
- The Project will ensure a gender sensitive approach by inclusion of women, part of affected households, in all public consultation and discussions on specific mitigation measures. All activities in this RPF will aim to be gender tailored, with the goal to empower women and provide with the possibility to participate in mitigation measures provided for resettlement impact. The documentation for ownership or occupancy, such as title deeds and lease agreements (including the bank accounts established for payment of compensation), will be issued in the names of both spouses, if the expropriated assets are part of marital property of both spouses.
- Activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
- An accessible Grievance Redress Mechanism (GRM) will be established **before the start of any project activities or consultations**, ensuring that affected people are able to submit concerns from the earliest stages of engagement. The GRM will remain in place throughout project implementation, including the resettlement cycle, to address grievances related to physical and economic displacement in line with this RPF. Stakeholders will be provided with clear, timely, and accessible information about their grievance rights, available channels, and procedures. All grievances will be duly registered, reviewed, and considered during project implementation and resettlement activities.
- All grievances will be considered throughout all project phases.

Other ESS5 objectives include:

- a) To avoid forced eviction⁷
- b) To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure⁸
- c) To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project warrants
- d) To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

Displaced persons (ESS5, Para. 10) are defined as any persons subjected to project-related adverse impacts who (a) have formal legal rights to land or assets; (b) have a claim to land or assets that is recognized or recognizable under national law; or (c) who have no recognizable legal right or claim to the land or assets they occupy or use. The term incorporates all potential categories of persons affected by land acquisition and associated impacts; all of those adversely affected are considered “displaced” under this definition regardless of whether any relocation is necessary.

Replacement cost (ESS5, Para. 2, footnote 6) is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement materials and labor for construction of structures or other fixed assets, plus all transaction costs associated with asset replacement. In all instances where physical displacement results in loss of substandard shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets minimum community standards of quality and safety.

ESS5 also establishes key principles to be followed in resettlement planning and implementation. These include:

- a) All displaced persons are entitled to compensation for land and attached assets, or to alternative but equivalent forms of assistance in lieu of compensation; lack of legal rights to the assets lost will not bar displaced persons from entitlement to such compensation or alternative forms of assistance.
- b) Compensation rates refer to amounts to be paid in full to the eligible owner(s) or user(s) of the lost asset, without depreciation or deduction for fees, taxes, or any other purpose.
- c) Compensation for land, structures, unharvested crops, and all other fixed assets should be paid prior to the time of impact or dispossession.
- d) When cultivated land is to be taken for project purposes, the [name of implementing agency] seeks to provide replacement land of equivalent productive value if that is the preference of the displaced persons.
- e) Community services and facilities will be repaired or restored if affected by the project.
- f) Displaced persons should be consulted during preparation of the RP, so that their preferences are solicited and considered.
- g) The RP (in draft and final versions) is publicly disclosed in a manner accessible to displaced persons.
- h) A grievance mechanism by which displaced persons can pursue grievances will be established and operated in a responsive manner.
- i) Negotiated settlement processes are acceptable as an alternative for legal expropriation if appropriately implemented and documented.⁹
- j) Land donation is acceptable only if conducted in a wholly voluntary manner and appropriately documented.¹⁰
- k) The MoT bears official responsibility for meeting all costs associated with obtaining project sites, including compensation and other considerations in relation to displaced persons. The RAP will include an estimated budget for all costs, including contingencies for price inflation and unforeseen costs, as well as organizational arrangements for meeting financial contingencies.
- l) Monitoring arrangements will be specified in the RAP, to assess the status and effectiveness of RP implementation.

D. Legal and Regulatory Framework

The *Constitution of Montenegro* promotes civil and human rights, prohibition of discrimination, gender equality etc. The Article 58 guarantees the right to property and that no one may be deprived of or restricted in the right to property, except when the public interest so requires, with just compensation. Article 9 prescribes that ratified and published international treaties and generally accepted rules of international law are an integral part of the domestic legal order, have primacy over domestic legislation and are directly applicable when they regulate relations differently from domestic legislation.

The key law pertinent to Land acquisition and Resettlement in Montenegro is the *Law on Expropriation* (Official Gazette No. 055/00, changes 012/02, 028/06, 021/08, 030/17, 75/18, 33/24 and 53/25): The Law enables government institutions to acquire property for projects that are deemed to be of public interest, while protecting the interests of all persons with legal title, whose assets are to be expropriated. The Law on expropriation does not use the term "involuntary resettlement" (as opposed to ESS5), but instead uses the term "expropriation" as the deprivation or restriction of property rights to real estate when required by the public interest, with fair compensation (according to the regulation establishing the methodology for assessing the value of property).

Fair compensation for expropriated real estate may be determined in money or by granting ownership or co-ownership of another suitable real estate.

A proposal for expropriation may be submitted by the beneficiary of expropriation only after a public interest in the expropriation of the real estate has been established. The procedure for expropriation of real estate for which a public interest has been established is carried out by the administrative body competent for registration of rights to real estate.

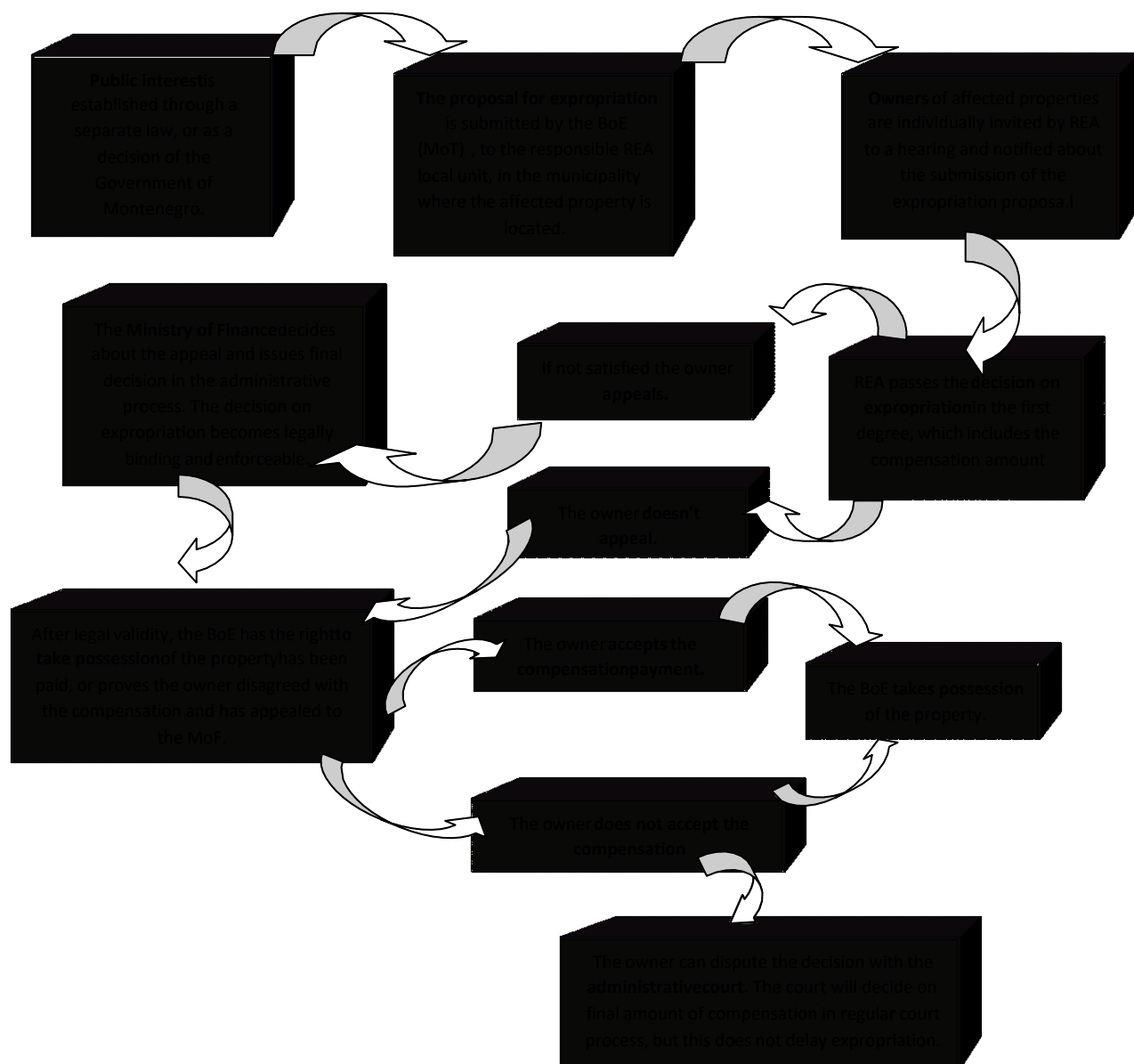
A legal entity that intends to submit a proposal for expropriation may request that, for the purpose of preparing a preliminary feasibility study or a proposal for expropriation, it be allowed to carry out the necessary preparatory actions on a specific real estate (land surveying, geodetic surveys, etc.), and after permitting, is obliged to pay the owner of the real estate the compensation prescribed by the Law. A proposal for expropriation is submitted to the competent administrative body - the regional unit in the municipality on whose territory the real estate proposed for expropriation is located.

Expropriation may also establish servitude on real estate and lease on land for a limited period of time (incomplete expropriation). A lease may be established only in cases where the land will be used for a limited period of time, up to three years at most (for exploration of mineral and other resources, quarrying, extraction of clay, sand and gravel, lease of natural resources for protection, etc.). Land that is to serve a specific need in connection with the construction of a facility (for the purpose of accommodating workers, materials, machinery, etc.) may be temporarily occupied (temporary occupation).

The beneficiary of the expropriation is obliged to provide an owner with another property, and the tenant with the use of another suitable property, with the right to lease for an indefinite period, before the demolition of the expropriated facility.

Step-by-step expropriation process as defined by the Expropriation law is presented in the Figure 1.

Figure 1: Step-by-step of the expropriation process



The most relevant MNE laws and regulations on property ownership, land tenure and compensation are as follows:

- Law on property-legal relations (Official Gazette No. 019/09, 029/25)
- The Law on State Survey and Cadaster (Official Gazette No. 029/07, 032/11, 040/11, 043/15, 037/17, 017/18, 084/24, 160/25)
- The law on State property (Official Gazette No. 021/09, 040/11, 023/25, 160/25)
- Rulebook on Methodology for assessment of property value (Official Gazette No. 064/18)
- Law on the Legalization of Illegal Constructions"² ("Official Gazette No. 91/2025 of August 6, 2025)
- Law on Restitution of Forfeited Property Rights and Compensation ("Official Gazette of the Republic of Montenegro", No. 21/2004, 12/2007 - second law, 49/2007, 60/2007, 30/2017, 70/2017 and 33/2024.

Laws and regulations relevant to expropriation and resettlement process, and PAP grievances are:

- The law on Administrative Procedure (Official Gazette No. 056/14, 020/15, 040/16 and 037/17)
- The law on Administrative Disputes (Official Gazette No. 054/16, 011/24, 053/25)
- The law on Litigation court procedure (Official Gazette No. 022/04, 028/05, 076/06, 047/15, 048/15, 051/17, 075/17, 062/18, 034/19 and 042/19)

Laws and regulations of principal importance to planning and construction (including large construction i.e. Project)

- The law on Spatial planning and construction (Official Gazette No. 064/17, 044/18, 063/18 and 011/19)
- The law on Local Self Government (Official Gazette No. 002/18, 034/19 038/20, 050/22, 084/22, 081/25, 098/25)
- The Family law (Official Gazette No. 001/07, 053/16, 076/20)
- The law Equality and Prohibition of discrimination (Official Gazette No. 002/26)
- Law on social housing (Official Gazette No. 035/13, 084/24, 121/25, 012/26)
- The law on Free legal assistance (Official Gazette No. 020/11, 020/15, 123/24)

The most relevant provisions of the abovementioned laws can be seen in Annex D of this document.

MoT agrees to take all actions necessary to ensure full and effective implementation of RPs prepared in accordance with the RPF, and to otherwise take actions necessary to achieve all relevant provisions of ESS5.

E. Preparing a Resettlement Plan

All projects causing physical or economic displacement through land acquisition or project-related restrictions on resource access or use are required to prepare a resettlement plan for WB approval. Responsibility for preparation and implementation of the RP (or RPs) rests with the MoT. As necessary, MoT will exercise its authority to coordinate actions with any other involved agencies, jurisdictions, or project contractors to promote timely and effective planning and implementation. The potential need for cooperation with other national and local authorities is related to the following entities in charge of real estate management processes: Real Estate Administration (national and local); cooperation with Railways of Montenegro as the land title holder in the area of the railway infrastructure.

RAP preparation begins once the physical footprint of a proposed investment has been determined, establishing that a particular site (or sites) must be acquired for project use. The MoT initially screens proposed sites to identify current usage and tenorial arrangements and identifies the site (or sites) that will minimize physical and economic displacement. The MoT shall subsequently carry out (either by using their internal resources or through engaging a third party) a census survey to identify and enumerate all displaced persons on the selected site (or sites) and to inventory and value land and other assets that are to be acquired for project use.

Each RP is based on the principles, planning procedures, and implementation arrangements established in this RPF,¹¹ and normally includes the following contents:

- a) Description of the project (with appropriate maps and illustrations), including explanation for the necessity of acquiring particular sites for project use and efforts undertaken to avoid or minimize the amount of land acquisition or other potential impacts deemed necessary
- b) Results of a census survey of displaced persons and inventory and valuation of affected land and assets (if applicable)
- c) Description of any project-related restrictions on resource use or access
- d) Description of tenure arrangements, including collective, communal, or customary use or ownership claims

- e) Review of relevant laws and regulations pertaining to acquisition, compensation, and other assistance to displaced persons, and identification of gap-filling measures needed to achieve ESS5 requirements
- f) Description of land and asset valuation procedures and compensation standards for all categories of affected assets
- g) Eligibility criteria for compensation and all other forms of assistance, including a cutoff date for eligibility
- h) Organizational arrangements and responsibilities for RP implementation
- i) Implementation timetable
- j) Estimated budget and financial contingency arrangements
- k) Consultation and disclosure arrangements
- l) Description of grievance mechanism
- m) Arrangements for monitoring implementation progress.

The RAP should be complemented by a separate set of individual compensation files for each displaced household or persons. These files are to be handled confidentially by the borrower to avoid any prejudice to displaced persons. In case of land acquisition, this process is going to be managed by the authority which is in charge of managing all land acquisition processes in Montenegro, i.e. the Real Estate Administration. Consequently, all landowners' files would be managed by this institution, both on local and national level.

Eligibility criteria for compensation and all other forms of assistance should be clearly summarized in a table that can be used for consultation with displaced persons. Commensurate with the currently assessed level of potential land-based impacts, i.e. the fact that the current level of development of the project does not envisage any land acquisition, the Entitlements Matrix for this project has been developed and it is available in Annex D.

Additional planning measures must be incorporated into RPs for projects causing physical displacement, or significant economic displacement. Taking into account the abovementioned limited land-based impacts in this project, i.e. the fact that this project is only expected to potentially lead to certain temporary limitations in terms of movement and/or use land which surrounds the railway infrastructure, the impacts which shall be taken into account in case of occurrence of any physical/economic displacement are presented in the form of information in the section below. The reason why these sections are presented in this segment of the document is for the purpose of facilitation of any potential need for additional update of this RPF in the future. The need for such substantial updates may be caused by significant alterations of the project design, during the phase of development of the Main Design for each RLC and other accompanying infrastructure. Thereby, the guidance related to impacts on physical and/or economic displacement shall be used for making the necessary updates to this RPF, and/or development of Resettlement Action Plan in the manner which is going to reflect and address all land-based impacts in compliance with their magnitude.

For projects causing *physical displacement*,¹² the RAP should include planning measures relating to the following, as relevant for project circumstances:

- a) Description of relocation arrangements, including options available to displaced persons, and including transitional support for moving or other expenses
- b) Description of resettlement site selection, site preparation, and measures to mitigate any impacts on host communities or physical environment, including environmental protection and management
- c) Measures to improve living standards and otherwise address particular needs of relocating poor or vulnerable households, including measures to ensure that replacement housing is at least consistent with minimum community standards and is provided with security of tenure
- d) Description of project design measures to improve living standards, access to or functioning of community services or facilities, or for providing other project-related benefits
- e) Any measures necessary to address impacts of resettlement on host communities.

For projects causing significant *economic displacement*,¹³ the RAP describes (as relevant):

- a) The scale and scope of likely livelihoods-related impacts, including agricultural production for consumption or market, all forms of commercial activity, and natural resource use for livelihoods purposes
- b) Livelihoods assistance options (for example, employment, training, small business support, assistance in providing replacement land of equivalent productive value, other) available to persons losing agricultural land or access to resources
- c) Assistance measures available to commercial enterprises (and workers) affected by loss of assets or business opportunities directly related to land acquisition or project construction
- d) Project measures to promote improvement of productivity or incomes among displaced persons or communities.

F. Consultation and Disclosure Arrangements

The RP summarizes results of measures taken to consult with displaced persons regarding the project, its likely impacts, and proposed resettlement measures. It also summarizes the meetings held with displaced persons (dates, locations, number of participants), including comments, questions, and concerns expressed by displaced persons during these meetings as well as responses provided to them. The MoT discloses a draft RP to the displaced persons (and the public) after Bank review and solicits comments from displaced persons regarding the proposed plan. Disclosure of the final RP occurs following consideration of comments received and following Bank acceptance.

PUBLIC CONSULTATIONS

The PIU will establish an ongoing relationship with affected communities, from as early as possible in the sub-project planning process, and throughout the life of the Project. The engagement process will ensure meaningful consultation with them in order to arrive at common understanding of the nature and duration of the impacts; informed participation on matters that affect them directly; proposed mitigation measures; sharing of development benefits and opportunities; and implementation issues. Individual meetings may be held with PAPs regarding specific cases, including upon request by PAPs. All documents prepared in implementation of this RPF will be disclosed in Montenegrin and English language, and made available for public feedback not later than 15 days prior to public consultations. Sufficient time shall be provided for uptake of comments public consultations as well. Public consultations shall be announced through local newspapers, social media, notice boards etc. and via MoT's website: <https://www.gov.me/msa>. Project information and Information about the GM will be shared in Montenegrin.

PUBLIC CONSULTATION ON THIS RPF

The client implemented a round of public consultations upon update and completion 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 F. The outcome of the public consultation, and key discussion points and questions and concerns shall be incorporated in the final RPF.

STAKEHOLDER ENGAGEMENT LOG (SEL)

To document and record all stakeholder engagement activities, including group and individual meetings, any virtual meeting or engagement, planned or spontaneous meetings, formal or informal, phone conversations, written exchanges etc. the SEL will be kept and maintained. Each log entry shall contain details of stakeholders engaged, date, time and place of meeting/method of communication, short description of the topics discussed, information gathered, a summary of the feedback received, if any, and a brief explanation of how the feedback was taken into account, or the reasons why it was not. The log may be supported by multimedia (photo, video) records of the meetings if available, and written documents that were discussed or issued in relations to the engagement.

The SEL will be a valuable tool providing an overview of key engagement phases, and actions within, facilitating monitoring of SEP, sub-project and RAP implementation, resettlement process feedback, evaluation of empowerment of PAPs while agreeing the compensation packages as designed in the RPF and Sub-Project Specific Plans. The SEL shall be managed by the E&S Specialist of the PIU.

G. Monitoring and Evaluation

MoT as the implementing agency responsible for the whole project will make arrangements for monitoring implementation and will provide periodic monitoring reports to the Bank regarding the status of land acquisition and implementation of the RP. For projects with significant impacts, competent resettlement monitoring professionals will monitor implementation progress and provide advice on any necessary corrective actions and will conduct an implementation review when all mitigation measures in the RP are substantially complete. The implementation review evaluates the effectiveness of mitigation measures in achieving RP and ESS5 objectives and recommends corrective measures to meet objectives not yet achieved.

H. Grievance Mechanism

MoT will adopt a Grievance Mechanism and will make stakeholders aware of the grievance mechanism by communicating its availability, function, contact persons and the procedures for submitting comments/concerns or grievances in the affected areas. External communications from stakeholders are considered to involve comments/concerns and grievances, as follows:

- Comments/concerns raised by an individual or group may, or may not, arise from a specific impact or incident that is related to a project activity. They can be positive or negative observations on general project performance and, also, can take the form of questions or requests for information; and
- A grievance is a complaint, raised by an individual or group, related to a specific impact or incident, which is considered to affect, adversely, the interests of the complainant. This includes specific concerns about land acquisition and resettlement.

REGISTERING A COMPLAINT

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

In addition to the Public Grievance Form, a Public Grievance Leaflet ([Annex E](#)) will be disclosed/made available at:

- the websites of MoT (<https://www.gov.me/msa>)
- the websites and offices of the Local Municipalities affected by the Project (Nikšić, Podgorica, and the Local Community offices *MNE*: "Mjesne zajednice"), and
- At all construction sites (prior to commencement of physical interventions).

Comments/concerns will be conveyed to MoT via the same means as grievances (see section below). Once received they will enter into MoT external communication procedures and feedback will be provided according to the requirements of the procedure. Concerns will be identified and every month concerns will be analyzed and a report provided to the senior ministerial level. This will alert to concerns, and acting as 'early warning' enable swift action to be taken to address the concerns and, thus, avoid the receipt of grievances in the future.

The grievance mechanism will consist of a Central Desk (CD) with Local Admission Desks for both affected municipalities administered by the MoT (collectively referred to as Grievance Mechanism). A separate workers' Grievance Mechanism separate from the public grievance mechanism will be established.

The Grievance Mechanism is developed with the following aims:

- To build and maintain trust of stakeholders;
- To prevent escalation of disputes,
- To prevent adverse consequences of failure to adequately address grievances; and
- To help identify and manage stakeholder concerns and thus support effective risk management.

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

Initially, GM would be operated manually and be developed by M&E Specialist in order to follow the activities under GM and report. However, development of an IT based system is proposed to manage the entire GM. Quarterly reports in the form of Summary of complaints, types, actions taken and progress made in terms of resolving of pending issues will be prepared and disclosed. Once all possible avenues of redress have been proposed and if the complainant is still not satisfied then the GM would advise of their right to legal recourse.

The grievance system shall be effective as soon as practicable, in order to manage and appropriately answer complaints during its different phases. In addition to the GM, legal remedies available under the national legislation remain (courts, inspections, administrative authorities etc.)

The MoT has already good cooperation with Local Governments and community representatives and will make joint efforts to informing stakeholders about the GM role and function, the contact persons, admission channels, and the procedures to submit a complaint in the affected areas. Information on the GM will be available:

- The website of the MoT (<https://www.gov.me/msa/>)
- The website of Railway Infrastructure of Montenegro (<https://www.zicg.me/>)
- The website/social media managed by Municipality Nikšić (<http://niksic.me/>)
- The website/social media managed by the City of Podgorica (<https://podgorica.me/>)
- Through social media campaigns.

Any type of grievance can be submitted by mail, phone, e-mail or in person using the below access details:

Ministry of Transport
To the attention of the Grievance Mechanism for the Trade and Transport Facilitation Project2
Att. Ms, Sonja Mamić
zalbenimehanizam.ttfp@msa.gov.me
Address: Rimski Trg 46,
81000 Podgorica

Details of the local access details will be disseminated as part of the grievance awareness campaign and information on access and focal points shall be updated. The Grievance Procedure will be free of charge, open and accessible to all, and comments and grievances will be addressed in a non-discriminatory and transparent manner.

THE PROCEDURE

In some instances, such as when a complaint is more of a question or request for information, MoT may be able to resolve a complaint shortly after it is received. In this case, the complainant will be given the information necessary to address the issue, and the complaint will be documented and closed once the complainant is satisfied with the information offered.

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

Step 1: Receive & Acknowledge Complaint

- Once the complaint is received, it will be recorded in a register.
- MoT will acknowledge receipt of the complaint by letter within 5 working days of receipt.
- The acknowledgement letter will specify a contact person and a description of what the complainant can expect next, including a timeline.

Step 2: Evaluate, Assign Owner, and Investigate

- MoT will assess the complaint to determine how it should be managed and, in most instances, will assign an owner with the substantive expertise to resolve it. The complaint owner will work to understand, investigate, resolve, and follow-up with the complainant. This may involve seeking information from different departments within MoT, the Municipalities impacted by the Project or from contractors and supervision consultants.
- The MoT will work with the complainant to understand the cause of the issue and will need to contact the complainant during the investigation.

Step 3: Consult on and Implement Resolution

- Once the complaint has been investigated, in consultation with the complainant, the MoT will discuss the results and proposed resolution with the complainant, including a timeline for implementation.
- The MoT will implement the resolution either directly or through a third party, which will be done in consultation with the complainant.
- The MoT will review complaints regularly to ensure progress is being made towards resolution. If no progress is being made, the MoT may decide to escalate the complaint to MoT management. In such circumstances, the complainant will be updated on progress.

Step 4: Close and Monitor

- After the complaint has been fully investigated, the resolution has been implemented and monitored, and no further action is deemed necessary to resolve the issue, the MoT will close the grievance.
- In case of anonymous grievance, the final decision will be disclosed on the MoT website.
- The MoT will ask the complainant to sign a statement to acknowledge resolution. Signing the statement does not preclude the complainant from raising the issue again, or seeking other avenues for redress should the resolution not result in a permanent fix or the issue recurs.

- If the complainant does not agree with the resolution offered, the MoT will close the complaint however the complainant may choose to appeal the decision to close the complaint (see Step 5) or seek other recourse.
- The MoT may re-open the complaint if the complainant provides new information.
- The MoT may contact the complainant after closure to ensure no other problems have arisen.

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

- The MoT will establish an additional mechanism for community members to appeal closure of a complaint when they are not satisfied with the outcome of the investigation and/or the proposed resolution.
- A second-tier panel comprised of trusted external third parties, including technical specialists familiar with the issue or higher management structures of the MoT. Generally, these people will not have had previous detailed knowledge of the complaint or engagement with the complainant.
- In some cases, the panel may choose to include one or more reputable and independent third parties on the panel.
- The panel may decide to refuse an appeal if they feel the complaint has not been presented in good faith.
- The selection of the mediator or individuals comprising the panel will be conducted in consultation with the complainant and other key stakeholders to ensure there is trust in the process.

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

MONITORING AND REPORTING ON GRIEVANCES

The CD will be responsible for:

- Collecting data from Local Admission Desks serving as local admission points on the number, substance and status of complaints and uploading them into the single regional database;
- Maintaining the grievance logs on the complaints received at the regional and local level;
- Monitoring outstanding issues and proposing measures to resolve them;
- Disclosing quarterly reports on GM mechanisms;
- Summarizing and analysing the qualitative data received from the local Grievance Admission points on the number, substance and status of complaints and uploading them into the single project database;
- Monitoring outstanding issues and proposing measures to resolve them.

The social monitoring reports to the WB shall be submitted through the MoT, which shall include a section related to GM which provides updated information on the following:

- Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
- Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any corrective measures taken.

WORLD BANK GRIEVANCE REDRESS SERVICE

Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).

The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WB corporate Grievance Redress Service (GRS), please visit: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

I. Budget and funding of resettlement

Costs related to compensation for land-based impacts shall be borne by the Implementing Agency, i.e. the Ministry of Transportation, and will be budgeted within the Budget prior to project implementation. All processes related to land-based impacts are going to be managed and implemented by the Ministry of Compensation, in cooperation with the relevant national and local authorities, e.g.: Railway Infrastructure of Montenegro (as the owner/user of land in the RoW area), Real Estate Administration, Forest Administration, Ministry of Finance). Costs for the implementation of this RPF include categories: (a) damage incurred on land and the costs related to returning the land into pre-project conditions, and (b) loss of livelihoods or other resources incurred due to temporary disturbance of access to land.

Given the early stage of the Project and unknown scale, type and magnitude of impact no estimation of cost is possible at this stage. However, as it is expected that this project may only lead to temporary disturbance of access to land, and/or limited destruction of land due to movement of machinery, the expected compensation costs are very minor and they will not be significant to impose risks at planning or implementation of any aspect of this RPF.

This RPF as referenced in the Loan Agreement complement the national legal requirements guiding livelihood restoration, and shall once ratified serve as a legal basis to close gaps to meet the ESS5 standards.

Annex A: The list of Level crossings (LCs), their current security and proposed project activities

Table 1: 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 level¹	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 technology, as well as regulation of traffic signaling and a freedom detection system.

¹ 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 ¹	Future State of Signaling / Expected activities
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.
17	Šunjine	44+715	Nikšić - Podgorica	Light and sound signaling	Signaling method: Half barriers, light and sound signaling

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 level¹	Future State of Signaling / Expected activities
					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 2 CONSTRUCTION OF TWO UNDERPASSES AND THE ALTERNATIVE ROAD

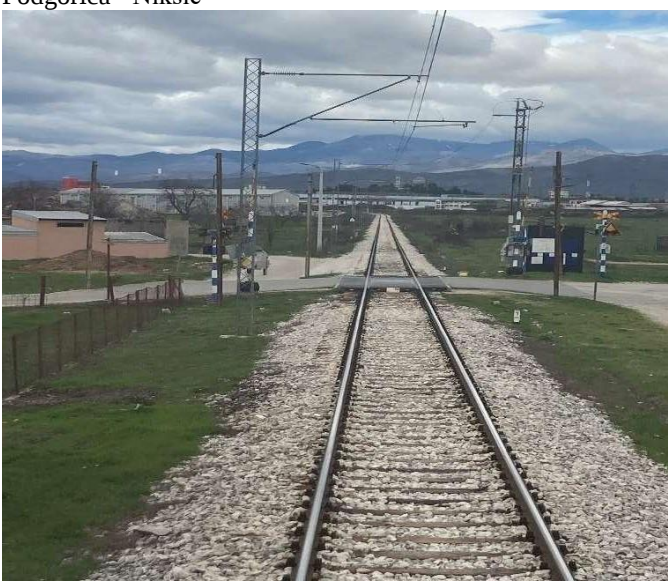
TASK 2 - Construction of two underpasses and alternative roads to eliminate three railway crossings on the Nikšić–Podgorica railway line and construction of the Pedestrian Underpass at the Airport Railway Stop				
No	Railway level crossing	Road crossing station	Railway/Section of railway	Description 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
3	Mlin-Spuž	44+114	Nikšić - Podgorica	Construction of the Spuž underpass with the reconstruction of the access roads
4	Aerodrom (Letisko Polje)	968M+4R3	Podgorica – Bar	Construction of a pedestrian underpass at the Airport Railway Stop on the Podgorica - Bar railway line

Annex B: 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 

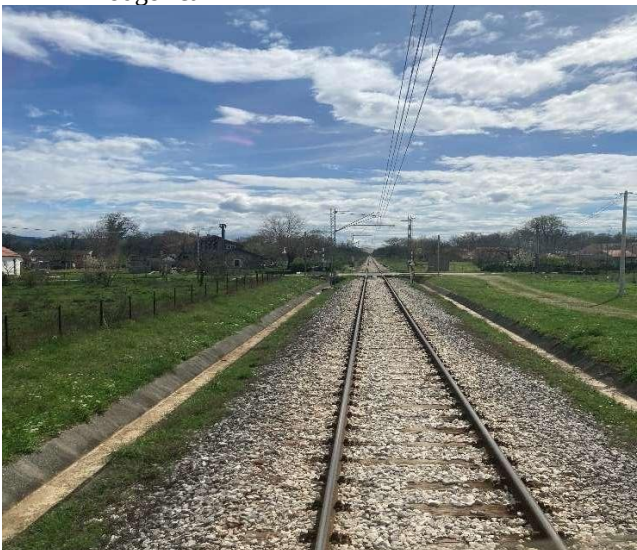
2	Mahala km 414+241	Podgorica - Bar 	Bar - Podgorica 
3	Kličevo km 2+082	Nikšić - Podgorica 	Podgorica - Nikšić 
4	Dabovići km	Nikšić - Podgorica	Podgorica - Nikšić

	14+364		
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	Sekulići km 34+938	Nikšić - Podgorica 	Podgorica - Nikšić 

10.	Kopito Petrovića km 36+588	Nikšić - Podgorica 	Podgorica - Nikšić 
11.	Kruščice km 37+595	Nikšić - Podgorica 	Podgorica - Nikšić 

12.	Ljutotuk km 38+209	Nikšić - Podgorica 	Podgorica - Nikšić 
13.	Martinići km 39+013	Nikšić - Podgorica 	Podgorica - Nikšić 

14.	Prentina glavica km 40+255	Nikšić - Podgorica 	Podgorica - Nikšić 
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 Radevića km 48+124	Nikšić - Podgorica 	Podgorica - Nikšić 
21.	Duklja km 51+586	Nikšić - Podgorica 	Podgorica - Nikšić 

22.	Zagorič 2 km 52+689	Nikšić - Podgorica  A photograph showing a railway track receding into the distance under a cloudy sky. The track is flanked by green grass and some low-lying vegetation. In the background, there are some buildings and a road with parked cars.	Podgorica - Nikšić  A photograph showing a railway track receding into the distance under a cloudy sky. The track is flanked by green grass and some low-lying vegetation. In the background, there are some buildings and a road with parked cars.
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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
	Spuž underpass	Podgorica - Nikšić	Nikšić - Podgorica

2



3	Aerodrom stop	Podgorica - Bar  	Bar - Podgorica  
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Annex C: Other laws and regulations influencing involuntary land acquisition and resettlement

Law of reference	Main features
Laws and regulations of principal importance to property ownership, land tenure and compensation	
Law on property and property relations (Official Gazette No. 019/09)	- stipulates fundamental provisions of property relations, including the right of ownership and other rights <i>in rem</i>, possession of movable and immovable property, as well as the manner of acquiring, transfer, termination and protection of ownership rights, co-ownership and joint ownership rights, right on yields emanating from owned thing, easement rights etc; - defines that property rights are acquired through the creation of a new thing (i.e. construction), merging, mixing, construction on another's land, separation of fruits, adverse possession, acquisition of property from non-owners, occupation and in other cases determined by law.
The Law on State Survey and Cadaster (Official Gazette No. 029/07, 032/11, 040/11, 043/15, 037/17 and 017/18)	- defines state survey, real estate cadastre and real estate registration, line cadastre, basic state map and topographic maps, state border survey, surveying and other issues of importance for state survey and cadastre; - establishes the Real Estate Property Cadaster as a single public record; - Contains, <i>inter alia</i>, data on formal owners of the properties and data on expropriation.
The law on State property (Official Gazette No. 021/09 and 040/11)	Stipulates fundamental provisions on public ownership and other proprietary rights of the State and local self-government units.
Rulebook on Methodology for assessment of property value (Official Gazette No. 064/18)	- defines key principles of assessment of immovable property value, including those governing assessment in the process of expropriation; - stipulates that in certain cases of property assessment value (i.e. expropriation), certain additional legal or/and international standards that are to be followed must be precisely cited; - defines important concepts: time of assessment, fair value, fair market value, market value, investment value, market lease, the standard of continuous enterprise (in assessing loss in case of economic displacement), assessment methodology etc.
Law on the Legalization of Illegal Constructions"² ("Official Gazette of Montenegro", No. 91/2025)	The Government of Montenegro has adopted a new Law on the Legalization of Illegal Buildings, providing citizens with an opportunity to legalize existing unauthorized structures while enforcing a zero-tolerance policy on future illegal constructions. A recently commissioned satellite survey will identify all illegal changes across Montenegro's territory, and sanctions will be applied impartially according to the law. This legislation aims to end decades of unregulated development by establishing a system of planned, responsible, and lawful construction. Key provisions include: - Mandatory registration of legalized buildings in the real estate cadaster within six months, after which registration will no longer be possible. - Clear criteria for which buildings are not eligible for legalization. - Specific regulations for legalizing buildings in protected zones. - Division of responsibilities: local governments will handle legalization of buildings up to 500 m², while a ministerial state body, the Legalization Administration, will manage larger buildings and those in protected areas. - Procedures for assessing structural and seismic stability, including protocols if a building is deemed unstable. - Detailed rules for legalization of collective buildings and land acquisition or payment when illegal buildings are on state-owned land.

	• Obligations for Notaries: to respect restrictions preventing property transfer or business activities on illegal buildings without initiated legalization procedures. • Once legalization is approved, external building appearance does not need further approval. • Public call will be issued for owners of illegal buildings on state land to register their properties within six months; after this deadline, unregistered buildings will be registered under the landowner, i.e., the State. • This legislation is expected to preserve Montenegro's limited spatial resources, increase municipal revenues through legalization fees, and improve standards of urban and infrastructure improvements to enhance quality of life.
Law on Restitution of Property Rights and Compensation <i>(Official Gazette Nos. 21/04, 49/07, 60/07, and in 2024)</i>	• This law governs the restitution and compensation for property confiscated during the socialist era. It prioritizes the return of confiscated property to former owners when feasible. If restitution is not possible, compensation may be provided in the form of monetary payments, bonds, or other state-owned assets. Eligible beneficiaries include individuals and legal entities whose property was taken for public, state, social, or cooperative purposes without fair compensation. The law establishes a Government-level Compensation Fund and mandates the maintenance of a restitution claims register, managed by the Commission for Restitution and Compensation under the Ministry of Finance. In practice, implementation is complex and gradual, with limited restitution progress and delays in issuing compensation bonds. Due to a disconnect between this law and the Expropriation Law, coordination with the Ministry of Finance during Resettlement Action Plan (RAP) development is necessary.
Legal Framework Prohibiting Forced Evictions	• <i>(Implied through various national and international human rights instruments)</i> • Forced evictions are strictly prohibited at all stages of project implementation. Such evictions are defined as displacements carried out through coercion, threats, intimidation, or without due legal process. The legal framework requires comprehensive procedural and legal safeguards, including: • Access to legal advice and representation; • Formal notification about eviction reasons and sufficient notice period; • Provision of temporary housing during relocation; • Access to transitional food support; • Access to healthcare services, including mental health support; • Guarantee of continued education for displaced school-age children; • Special support for vulnerable individuals, including the elderly, persons with disabilities, and pregnant women.
Laws and regulations of principal importance to expropriation and resettlement process, and PAP grievances	
The law on Administrative Procedure (Official Gazette No. 056/14, 020/15, 040/16 and 037/17)	• regulates the rules and obligations of government authorities, state administration, local government, local government bodies, institutions and other entities exercising public authority activities, in order to achieve protection of the rights and legal interests of individuals, legal persons or other parties, as well as the protection of public interest (including expropriation and other process in resettlement before the state administration); • defines that decisions by administration bodies are subject to the possibility of administrative appeal (except if the appeal is not allowed by law) in the first instance, as part of the regular legal grievance mechanism available to PAPs.

The law on Administrative Disputes (Official Gazette No. 054/16)	- regulates jurisdiction, composition of the court and rules of procedure on the basis of which the court decides on the legality of an administrative act and other administrative activities, in order to ensure the judicial protection of the rights and legal interests of individuals and legal entities and other parties, jeopardized by the actions of state authorities; - defines that against all decisions (or lack of decision) of government authorities, state administration, local government, local government bodies, institutions and other entities exercising public authority activities a court process can be initiated according to this law, as part of the regular legal grievance mechanism available to PAPs.
The law on Litigation court procedure (Official Gazette No. 022/04, 028/05, 076/06, 047/15, 048/15, 051/17, 075/17, 062/18, 034/19 and 042/19)	- defines principal rules for all civil court proceedings and cases of court disputes if not regulated by other laws in a different manner, including administrative disputes; - provides provisions of court process in all property issues cases and cases of compensation for damages, right of appeal in a second court instance, extraordinary court remedies, appeal jurisdiction and proceedings etc as part of the regular legal grievance mechanism available to PAPs.
Laws and regulations of principal importance to planning and construction (including large construction i.e. Project)	
The law on Spatial planning and construction (Official Gazette No. 064/17, 044/18, 063/18 and 011/19)	- Regulates the system of spatial planning in Montenegro, the manner, and conditions for construction of structures and other issues of consequence to construction of structures; - Regulates development of plans that are in correlation with large construction projects (spatial plan of Montenegro, regional and specific spatial plans etc.) which partially includes assessment of social and environment impacts, and are subject to revision, and if needed, they are obligated to explore viable alternatives in cases of severe social or environmental impacts; - Regulates that the process of development and approval of spatial plans is subject to "public enquiry", which is a form of public consultation and the chance for stakeholders and PAPs to influence projects in an early stage, and by this legally defined process, are provided with a grievance mechanism as part of that approval of plans; - Regulates process of concept and main construction design, including expropriation elaborate as the key document for the expropriation process, but also that is the only legally envisioned social assessment documents that needs to be prepared for a project; - Defines a process of "legalization" of structures built without a proper construction license, thus also providing legal basis for compensation of owners of informally built structures in the process of expropriation and resettlement; - Defines cases of removal of an informally built structure of basic residence, when the local municipality is obliged to provide alternative accommodation to the household.
The law on Local Self Government (Official Gazette No. 002/18 and 034/19)	- defines legal process and local institutional arrangements of spatial planning and construction in project of local public interest; - Defines that local municipalities are responsible for establishing public interest for expropriation in projects of their own jurisdiction.
Laws and regulations of principal importance to issues of family relations, gender equality and social welfare	
The Family law (Official Gazette No. 001/07 and 053/16)	Proclaims spouses individual and shared marital property and defines individual property as the property that the spouse acquired before the marriage, and property acquired during marriage through inheritance, gift or other forms of acquisition, and that the shared marital property constitutes the property that the spouses acquire in the course of work the duration of the marital community, as well as income from that property;

The law on Prohibition of discrimination (Official Gazette No. 046/10, 040/11, 018/14 and 042/17)	• Proclaims equality of spouses and forbids any form of discrimination. • Defines discrimination as any differentiation or unequal treatment of a person or group of persons exclusion, restriction or preference of a person that is based on race, skin colour, ethnicity, social or ethnic origin, affiliation to a minority nation or minority national community, language, religion or belief, political or other opinion, gender, gender change, gender identity, sexual orientation and / or intersex characteristics, health status, disability, age, financial status, marital or family status, affiliation to a group, political party or other organization, as well as other personal attributes; • Forbids any form of discrimination and provides measures for protection against discrimination for persons or groups that may be subject to forms of discrimination. • Ensure security of tenure
Law on social housing (Official Gazette No. 027/13, 001/15, 042/15, 047/15)	• Proclaims the right to social housing that can be realized by natural persons who do not have an apartment or other a residential facility or persons whose residence facilities are not in the proper standard and which from the income they generate cannot provide a different residential facility; • Proclaims that the right to social housing is exercised in a manner that the state or local municipality offers apartments for rent, allotment of construction land for the construction of social housing, by providing building materials for the construction of a new or reconstruction of an existing residential building, giving subsidies for social housing and granting long-term loans to users of social housing.
The law on Free legal assistance (Official Gazette No. 020/11 and 020/15)	■ Provides legal assistance to vulnerable groups through Court departments, where people are able to access free legal advice provided by authorized lawyers.

Annex D: Entitlements Matrix

IMPACT /TYPE OF LOSS	AFFECTED PERSONS/ PERSONS WITH RIGHTS	ENTITLEMENT IN PRINCIPLE/ COMPENSATION POLICY
LAND		
Permanent loss of land (if required, due to unforeseen and unforeseeable circumstance) including unresolved historic land claims refer to land parcels that have been under the long-standing possession, management, and use of Željeznice Crne Gore (ŽCG) for railway infrastructure and operations, where such use may have originated from past acquisition processes, administrative transfers	(a) Who have formal legal rights to land (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under Montenegrin law; or (c) Who have no recognizable legal right or claim to the land or assets they occupy or use	Compensation at full replacement cost defined as defined as a method of valuation yielding compensation sufficient to replace the land plus necessary transaction costs associated with such replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons in accordance with ESS5 and national legislation. Where feasible, land-for-land compensation may be offered. Specific compensation measures will be defined in the site-specific RAP, if required.
Loss of assets including crops	(a) Who have formal legal rights to assets (b) Who do not have formal legal rights to land or assets, but have a claim to assets that is recognized or recognizable under Montenegrin law; or (c) Who have no recognizable legal right or claim to the assets they occupy or use	Compensation at full replacement cost defined as defined as a method of valuation yielding compensation sufficient to replace the land plus necessary transaction costs associated with such replacement. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons in accordance with ESS5 and national legislation.
Temporary occupation of land for construction purposes (e.g. maneuvering of machinery, temporary access routes, storage of materials)	Landowners, tenants, land users (formal and informal)	Compensation for temporary use of land at market lease value for the duration of occupation; compensation for any damaged crops or assets at replacement cost; restoration of land to its original condition following completion of works.
Damage to private property caused by construction activities or contractor machinery	Owners, tenants and users of the affected property (formal and informal)	Repair of damaged property or compensation at full replacement cost. Damage will be documented and addressed promptly through contractor procedures and the project grievance mechanism.
Temporary restriction of pedestrian or vehicular access to residential properties, businesses, or community facilities due to works at or near railway level crossings	Property owners, tenants, business operators/owners, users of the affected facilities, emergency services	Advance notice of works; maintenance of safe alternative access wherever feasible; temporary traffic management measures and signage; prompt restoration of normal access conditions after completion of works. Special formal announcements shared with all emergency services (Ministry of Interior Affairs, medical emergency services, police, fire department, Red Cross, and all other emergency services) in order to ensure that the local communities are duly provided with the necessary emergency services without any interruptions.
Temporary disruption to businesses due to construction activities	Owners of businesses	Measures to minimize disruption, including advance notification, access management and signage. Where temporary access restrictions result in demonstrable loss of income, Compensation for lost income equivalent to the verified net income foregone during the period of disruption, based on documented earnings, market rates, or reasonable proxies where formal records are not available only those that are directly introduced and a consequence of the project.
Impact on vulnerable groups	Vulnerable PAPs	In addition to the entitlements defined above, vulnerable PAPs may receive targeted assistance to ensure equitable treatment and restoration of livelihoods. Specific measures will be determined during socio-economic surveys and consultation with affected persons.

Established permanent easement rights on the property (i.e., right of way over land or property)	Property owner (including owner with legally recognizable claim)	Compensation for decrease of market value of land or asset due to easement rights implementation, and Compensation at replacement cost for affected crops, orchards, nurseries etc. in accordance with relevant sections of this matrix, and Compensation for any permanent loss of income due to easement evaluated at replacement costs as assessed by accredited experts by assessing net gains potential of land after easement
Undetermined impact	Any of the person above	Any undetermined impact will be mitigated in accordance with principles and aims of this RPF

Annex E: Public grievance form

GRIEVANCE FORM –	
INFORMATION ABOUT THE PERSON SUBMITTING THE GRIEVANCE	
Reference no. _____	
Full Name Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent	First name _____ Last name _____ ☐ I wish to raise my grievance anonymously ☐ I request not to disclose my identity without my consent
Contact Information: Please mark how you would like to be contacted (mail, phone, e-mail)	☐ By Post: Please provide mailing address: _____ ☐ By Telephone: _____ ☐ By E-mail _____ ☐ I don't wish to be contacted and will follow up on the resolution on the MoT website
Preferred Language for communication	☐ Montenegrin ☐ Other please specify _____
Description of Incident or Grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident/ Grievance	☐ One time incident/grievance (date _____) ☐ Happened more than once (how many times? _____) ☐ On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	
Signature: _____ (not required in case of anonymous complaints) Date: _____	
Please return this form to: Ministry of Transport To the attention of Mrs. Sonja Mamić zalbenimehanizam.ttfp@msa.gov.me Address: Rimski Trg 46 81100 Podgorica	

Endnotes

¹ Specifically, Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5), Annex 1B. The template is primarily intended for use in projects initially classified as Low or Moderate Risk. It may also be appropriate for use in projects with a Substantial Risk classification if risks identified as substantial do not relate directly to ESS5.

² To ensure that the relevant authority is aware of its obligations, it is recommended that the RPF be accompanied by a provision of a transmittal letter, signed by the chief executive (or similar relevant authority) of the implementing agency.

³ The [Environmental and Social Framework \(ESF\)](#) was approved by the Board of Executive Directors on August 4, 2016. It consists of a [Vision for Sustainable Development](#); ten [Environmental and Social Standards](#) (ESSs), which set out the requirements that apply to Borrowers; an [Environmental and Social Policy for Investment Project Financing \(IPF\)](#), which sets out the requirements that apply to the Bank; and an [Environmental and Social Directive/Procedure for Investment Project Financing \(IPF\)](#) and a [Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups](#). It applies to all IPF projects initiated on or after October 1, 2018.

⁴ As described in ESS5, Paras. 33–36.

⁵ As described in ESS5, Paras. 26–32.

⁶ The RPF does not supersede provisions of ESS5 or the ESF, and the WB remains solely responsible for determining what is required to achieve consistency with those requirements throughout the course of project implementation.

⁷ Defined as the removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures in ESS5.

⁸ Security of tenure means that displaced persons are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are at least as robust as those they had prior to displacement.

⁹ Appropriate principles for negotiated settlement transactions include (a) intended project sites are screened to identify competing claims to ownership or use, or other encumbrances that would impede two-party negotiations; (b) if the site is collectively or communally owned or used, the negotiation process includes those individuals or households who directly occupy or use it; (c) prior to negotiations, owners or users are informed by project authorities of their intent to obtain relevant land (and other assets) for project use; (d) owners or users are informed of their rights and options to pursue legal remedies or other actions, and sign a declaration indicating willingness to negotiate; (e) at the onset of negotiations, project negotiators present the owner or user with a proposed package of compensation or other beneficial considerations, along with an explanation as to the basis of this initial offer; (f) owners or users are informed that they may make counterproposals as they may see fit; (g) negotiations are conducted without resort to coercion or intimidation in any form; (h) an agreement establishing payment amounts or other agreed considerations is written, signed, and recorded; (i) payment of compensation and provision of any other agreed considerations is completed prior to taking possession for project use; and (j) owners or users retain the right of access to the grievance mechanism if they have complaints regarding any aspect of the negotiated settlement process.

¹⁰ Any land or asset donation for project use will be consistent with these principles: (a) the potential donor is informed that refusal is an option, and that right of refusal is specified in the donation document the donor will sign; (b) donation occurs without coercion, manipulation, or other pressure on the part of public or traditional authorities; (c) the donor may negotiate for some form of payment, partial use rights, or alternative benefits as a condition for donation; (d) donation of land is unacceptable unless provision is made to mitigate any significant impacts on incomes or living standards of those involved; (e) donation of land cannot occur if it were to necessitate any household relocation; (f) for community or collective land, donation can only occur with the consent of individuals directly using or occupying the land; (g) the land to be donated is free of encumbrances or encroachment by others who may be adversely affected; (h) any donated land that is not used for its agreed purpose by the project is returned to the donor in a timely manner; and (i) each instance of land donation is documented, including a statement identifying the land or assets donated and terms of donation, which is signed by each owner or user. Persons donating land or assets for project use may use the project grievance mechanism to raise complaints regarding any aspect of the donation process.

¹¹ Additional details regarding preparation of an RP are included in ESS5, Annex 1.

¹² Additional details regarding planning measures for physical displacement are provided in ESS5, Annex 1, paras. 17–23.

¹³ Consideration of scale of loss of productive assets as well as changes in institutional, technical, cultural, economic, and other factors may be important in determining the significance of economic displacement. In general practice, however, loss of 10 percent or more of productive land or assets from a household or enterprise often is considered significant. Additional details regarding planning measures for economic displacement are provided in ESS5, Annex 1, paras. 24–29.



Annex F: 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 MoT Bojana Laković ZICG Tamara Todorović
Participants:	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	
PIU	Tomara Todorovic	PIU	tomara.todorovic@piu.gov.me	068 864791	
PIU NOT	Milica DANKOVIC	ADJUTANT	milica.dankovic@piu.gov.me	069 459 926	
PIU NOT	Natasa Veljkovic	ENV. EXPERT	natasa.veljkovic@outlook.com	060 411 0457	
EPA	Dragan Mirovic	collegium	dragan.mirovic@epa.org.me	067 378-194	
Customs Administration	Milos Vujovic	adviser	milos.vujovic@carina.gov.me	067 4979 24	
MONA	Stefan Milanovic	adviser	stefan.milanovic@up.gov.me	067 66 96 22	

Western Balkans Trade and Transport Facilitation Project Phase 2



ORGANISATION	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
ŽPCG	Miroslav Đurđević	Memorandum za OVP plan i analizu RV	miroslav.durdjevic@zpcg.me	068/852-888	
NOT	Filip Spasić	YNKE	filip.spasic@nisa.gov.me	069-641-886	
MONTECARGO	Kajko Dženeta	direktor, sektor za komercijalno	kajko.dzeneta@montecargo.me	067482180	
MONTECARGO	Jordan Dželebrić	direktor, sektor za komercijalno	jordan.dzebric@montecargo.me	068/877 991	
PIU NOT	Sonja Maric	project manager	sonja.maric@piu.gov.me	06323 1233	



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 MoT-Direktorat za željeznički saobraćaj, Slavica Knežević ŽICG Tamara Todorović
Participants:	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-MARTINA	Duran Stojan	Član MZ	Duran.Stojan@ig.hr.com	067 240 270	Stojan S.
11	Slobodan Misković Predsjednik	Predsjednik	067/644588	07/222004	dm
MZ Gorica	Gordana Razić	predsjednica savjeta MZ	gordanarazic18@gmail.com	069 346 666	GR
MZ Braničevski	Hošo Paramuntić	predsjednik MZ Braničevski	068 589 956	068 589 956	Hošo Paramuntić
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SEKR. ZA IMOVINU, INVESTICIJE I ZASTUP.	Vojislav Bosković	VISI JAVNE I ZA UPRAVLJANJE IMOVINOM	vojislav@danilovic.hr me	062/673-100	Vojislav Bosković
SEK. ZA IMOVINU, INVESTICIJE I ZASTUPANJE	Božana Reano		bozanic@zauzao.org@gmail.com	067/545-715	Božana Reano
SEK. ZA LOKALNU SAMOUPRAVU	Vuk JANILOVIĆ	SEKRETAR	vuk.janilovic@danilovic.hr	069149494	Vuk

Western Balkans Trade and Transport Facilitation Project Phase 2



**ŽELJEZNIČKA
INFRASTRUKTURA
CRNE GORE
AD-BODGORICA**



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



ŽELJEZNIČKA
INFRASTRUKTURA
CRNE GORE
AD - PODGORICA



WORLD BANK GROUP

Subject: Stakeholder Consultation Meeting

Stakeholder group: Municipality Nikšić and the pertaining stakeholders

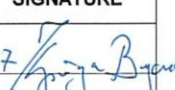
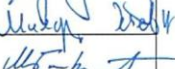
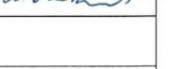
Location: Municipality Nikšić

Date: 19.05.2026

Time: 13:00

Organized by: Project Implementation Unit (PIU)

ATTENDANCE SHEET

INSTITUTION	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
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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



ZELENIČNA
INFRASTRUKTURA
CRNE GORE
AD-PODGORICA



WORLD BANK GROUP

Subject: Stakeholder Consultation Meeting

Stakeholder group: Businesses in the Area of Influence

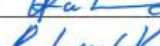
Location: Vinarija Radević

Date: 9.6.2026.

Time: 9-10h

Organised by: Project Implementation Unit (PIU)

ATTENDANCE SHEET

COMPANY	NAME/SURNAME	POSITION	EMAIL	PHONE	SIGNATURE
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ZELENIČNA INFRASTRUKTURA	RADOVAN VUKOVIĆ	SAUJENIK SEFA PD.DANILUVA	rvukovic@gnika.com	067/012-955	
RIOM	Tamara Todorović	PIU	tamara.todorovic@riom.com	068/869471	



Appendix 2_Photo log

