# WESTERN BALKANS TRADE AND TRANSPORT FACILITATION PHASE 2

# ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK MONTENEGRO

November 2022

# Table of Contents

# List of Tables

# List of Figures

# Abbreviations

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

# 1 EXECUTIVE SUMMARY

## 1.1 Program background

This is the phase 2 of the Western Balkans Trade and Transport Facilitation (TTFP) , which supports the countries of the Western Balkans - Serbia, North Macedonia, Albania in phase 1 and Montenegro, Kosovo, Bosnia and Herzegovina in phase2 - in aligning their policies with the EU Green Deal, through activities that promote the automation of trade procedures and increase the efficiency of transport, already**.** This ESMP is covering the Montenegro activities from the project. This project is supporting the Digital Green Deal through Phase 2 component 1 of the program, where transit and border crossing procedures are automated through various IT systems like the National Single Window (NSW) and the New Computerized Transit System (NCTS), which will reduce truck idling times at border crossings points. Improvements of IT systems at the border railway station of Bijelo Polje will increase the efficiency, reliability and therefore overall attractiveness of the railways, promoting modal shift from freight and passenger road transport In addition, Phase 2 component 2 of the program will support the digitalization of the Port of Bar and improvements of selected railway level crossings, again strengthening the efficiency and attractiveness of the railway sector and helping towards modal shift of freight and passenger transport from road to rail. Component 2 also supports Montenegro to review and update the existing National Transport Development Strategy to incorporate green logistics and low-carbon transport, as well as other aspects that will be relevant in light of the EU Green Deal and that support GHG emissions reduction in the transport sector in Montenegro. By supporting the regional integration agenda, the TTFP is helping Montenegro to reap the full benefits of direct market access and economic integration with Europe, a global leader in the green transition, which offers not just a large market for goods and services, but also access to investment, technology, and know-how, to say nothing of pre-accession and structural funds. This is particularly relevant for Montenegro, which otherwise will miss full access to the EU market, whereas 88.4% of Montenegro's exports by value were delivered to European countries.

The Program consists of four components and several sub-components as follows:

| Component | Subcomponent |
|---|---|
| Component 1: Facilitating movement of goods across the Western Balkans | Sub-component 1.1: Design and Implementation of a National Single Window<br>Sub-component 1.2: Improvements at Border Crossings Points on Selected Trade Corridors |
| Component 2: Enhancing transport efficiency and predictability | Sub-component 2.1: Digitalization of the Port of Bar<br>Sub-component 2.2: The improvement of selected Railway Level Crossings (RLC) on the rail network in Montenegro<br>Sub-component 2.3: Preparation and update of existing National Transport Strategies and Studies<br>Sub-component 2.4: Implementation of the Corridor Performance Monitoring System |
| Component 3: Implementation of commitments to improve market access in services and foster regional investments. | |
| Component 4: Project management | |

This Program will implement subprojects with high implementation readiness and relevance to the program objectives, with detail designs and tender documents likely to be ready by Effectiveness or in a advanced stage of preparedness in Montenegro.

Implementation will be undertaken by a project implementation unit (PIU) to be established under the Ministry of Capital Investments

## 1.2 Objectives of the Environmental and Social Management Framework (ESMF)

Although the potential subprojects are already proposed for each of the phases, taking into consideration the large geographical coverage, and the overall duration of the Program, there is a great chance that a number of the proposed subprojects will be developed, or further developed during the actual implementation of the project. According to the World Bank Environmental and Social Framework (ESF) of 2016, in order to facilitate adequate preparation of such subprojects, the ESMF is used to define and guide the environmental and social (E&S) due diligence mechanisms for the said activities.

All subprojects to be financed under the Program would be subject to assessment of E&S risks by the PIU, following the procedures described in this ESMF. For "substantial " risk subprojects, an *Environmental and Social Impact Assessment (ESIA)* will be prepared, while for, "moderate" and "low" risk subprojects, an assessment will be carried out in line with the MNE environmental laws (depending on the subproject location) and will include preparation of a site-specific *Environmental and Social Management Plan*, all in line with this ESMF and the provisions set forth under the World Bank ESF. The relevant ESSs under the ESF are:

| ESS/OP | |
|---|---|
| ESS1 | Assessment and Management of Environmental and Social Risks and Impacts |
| ESS2 | Labor and Working Conditions |
| ESS3 | Resource Efficiency and Pollution Prevention and Management |
| ESS4 | Community Health and Safety |
| ESS5 | Land Acquisition, Restrictions on Land Use and Involuntary Resettlement |
| ESS10 | Stakeholder Engagement and Information Disclosure |

## 1.3 Environmental and social assessment of subprojects

The MNE activities that will be implemented in the framework of Component 1 and 2 versus the WB and the national E&S requirements that need to be fulfilled in the process of project approval are listed below. The national requirements stem from legal requirements in the field of environmental protection, physical planning and construction in Montenegro.

| Type of activities | WB requirements | | National requirements | |
|---|---|---|---|---|
| | Category pursuant to WB | Environmental assessment instrument | Environmental protection | Physical planning and construction |
| Improvements at Border Crossings Points | Moderate risk | EIA or site-specific ESMP, depending of the type and location of the project | The Improvements at BCPs is subject to a preliminary screening / environmental impact assessment based on which the Environmental Agency / Ministry decides on the necessity, or not, to conduct a full EIA and ultimately issues a Consent on the EIA Study. | Construction related permits |
| Digitalization of Port of Bar | Low risk | Site specific ESMP/ ESMP checklist | Expected not have a EIA request | Construction related permits |
| Improvement of selected Railway Level Crossings (RLC) on the rail network in Montenegro | Moderate risk | Site specific ESMP/ ESMP checklist | Expected not have a EIA request | Construction related permits |

As there are differences between WB Environmental and Social Framework (ESF) and local MNE regulations, the project will use the WB ESF.

For future implementation of the sub-components and related subprojects, the following steps concerning the E&S assessment process should be undertaken:

**Step 1. Confirm the preliminary determined project risk and carry out an E&S assessment in line the WB requirements**

| Type of activities | Action to be taken | Result of the action |
|---|---|---|
| Construction activities related to Component 1 and 2 | Prepare an ESIA or site-specific ESMP (depending on the categorization and the requirements of the local permitting process) and follow guidance on disclosure and consultations. In the ESIA or site-specific ESMP, include sections related to all applicable ESSs. | The WB requirements on E&S impacts mitigation and monitoring included in relevant ESMP. |

**Step 2. Carry out an environmental assessment in line with the national requirements**

If the assessment of risk indicates that a subproject is substantial risk and requires the development of an ESIA according to the WB standards (Step 1), the WB ESIA study can be used in the national EIA procedure (if required). For subprojects for which the Bank requires the development of a site-specific ESMP/ ESMP checklist, the ESMP will be developed and cleared by the Bank prior to public consultation..

**Step 3. Organize consultations with stakeholders** at the location closest to the project implementation site in line with the requirements of the Stakeholder Engagement Plan (SEP) which has been developed as a separate document for the project.

**Step 4. Finalize ESMP with the results of the public consultation**, including eventual modifications as results of discussions held with stakeholders. Final ESMP should be cleared by the Bank and included in the Tender Dossier for Works.

**Step 5. (*If needed and where applicable*) The ESMP is implemented and monitored**

Pursuant to the WB requirements, a Labor Management Procedure (LMP) has been developed as a separate document and should be implemented during the implementation of all subprojects under this Program.

## 1.4 Monitoring and Reporting

The PIU shall monitor the implementation of this Framework, both at overall Program level and individual subproject level. The PIU shall ensure that the requirements of the site-specific ESMPs and environmental permits are included in employer's requirements. Within its usual monitoring activities, the PIU shall perform monitoring (including on-site monitoring, as needed) to ensure that Contractors comply with their contractual obligations. The PIU shall establish and maintain records on dissemination of information and engagement of all stakeholders in accordance with the SEP.

It is the responsibility of the Contractor to ensure the proper execution of works and labor management compliance, according to measures prescribed in the related ESMP and the LMP, and in line with national and international standards.

The PIU will report on a regular basis to WB on subproject screening, ESMP development and monitoring results.

# 2 INTRODUCTION

## 2.1 Brief Project Description

### 2.1.1 Objectives

**The Higher-level Objective** of the Trade and Transport Facilitation Project ( TTFP) is to support - through a Multiphase Programmatic Approach - Montenegro's regional integration efforts and future integration in European Union

**The Development Objective** of the TTFP (Phase 2 of the Program) is to reduce trade costs and increasing transport efficiency through a longer-term, adaptive, and continuous engagement.

### 2.1.2 Components

The project includes a combination of investments, technical assistance and regulatory and institutional reforms and will primarily focus on the following components:

1. Facilitating movement of goods across the Western Balkans
2. Enhancing transport efficiency and predictability
3. Support the implementation of commitments to improve market access in services and foster regional investments.
4. Project management

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

Sub-component 1.1: **Design and Implementation of a National Single Window.** This sub-component will finance the design and implementation of a National Single Window System (NSW) solution, as Single Window systems are a means to establish improved information sharing between government agencies and businesses involved in trade across the Western Balkans. In addition, and in compatibility with the NSW, the project will support and expand the New Computerized Transit System (NCTS) to Montenegro, an agreement providing a mutual system for Custom transportation between the EU Member States and the EFTA countries (Norway, Switzerland, Liechtenstein, and Iceland). With regards to non- EU countries and the participating parties, it has been implemented thus far in North Macedonia, Turkey and in Serbia.

Sub-component 1.2: **Improvements at Border Crossings Points on Selected Trade Corridors**. Under this sub-component, it is envisaged the upgrade of road border crossing Bozaj-Hani Hotit as well as the integration of information flows among border agencies and harmonization of their operational procedures, such as opening hours and shift changes.

#### Component 2: Enhancing transport efficiency and predictability

Sub-component 2.1: **Digitalization of the Port of Bar**. This sub-component will finance port digitalization in order to provide data to all stakeholders in real-time on one open platform which will improve efficiency and support accurate decision making. Port digitalization is extremely effective for operations - cranes and vehicles can be automated, saving time and money, real-time data can be shared, and essentially all stakeholders can know exactly what is going on during port operations. Ports can adopt automation processes, process cargo and containers at a higher speed with less error and increase their effectiveness.

Sub-component 2.2: **improvement of selected Railway Level Crossings (RLC) on the rail network in Montenegro**. This sub-component will finance the improvement of selected Railway Level Crossings on the indicative extension of the Orient/East-Med Core Network Corridor in Montenegro (section Podgorica – Bar). The activities will consist of: a) improving the level of safety on five most unsafe and complex RLC based on a finding from the ongoing regional project 'Level Crossings Safety Improvement' led by TCT; and b) improving Traffic Signaling, interlocking devices and power supply at the railway crossing; c) upgrading the communication channels between selected RLCs.

Sub-component 2.3: **Preparation and update of existing National Transport Strategies and Studies**. This sub-component will finance the following activities: a) Update the Transport Development Strategy 2019-2035; b) Preparation of an ITS strategy for maritime affairs; c) Preparation of Study on Intermodal Transport Development; d) Preparation of technical guidelines for the design, construction and maintenance of roads integrating climate resilience considerations.

Sub-component 2.4: **Implementation of the Corridor Performance Monitoring System.** This sub-component will develop a full Corridor Performance Tool which will focus on time, reliability and cost of moving a container as well as bulk cargo along the main corridors on the Western Balkans focusing on Montenegro. Reliability will be measured as the variance of the time to accomplish each stage of movement. Data would be collected for several stages that cargo goes through Montenegro: (i) dwell time at the port of Bar (and other ports in the WB) (ii) transit time through the country, (iii) time at border crossing points.

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

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

Component 4: Project management

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

### 2.1.3 Implementation arrangements

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

invited to the coordination workshops. Sustainable corridor performance monitoring indeed requires appropriate regional-level institutional arrangements and secure financing.

**At the national level,** the institutional arrangement for project implementation agreed with participating beneficiary in phase 2 is that Project Implementation Units (PIU) will be a standalone entity anchored within Ministry of Capital Investment (MOCI) and will have primary responsibility for project execution ensuring that the project development objectives are met. MOCI will establish a Project Implementation Unit (PIU) with the overall responsibility for project implementation and ensuring that financial resources are budgeted, disbursed, expended, accounted and audited. In addition to the project specific arrangements, implementation of trade facilitation activities will also be supported by existing inter-ministerial coordination mechanisms, namely the National Trade Facilitation Committees (NTFCs) established in line with regional (CEFTA) and multilateral (WTO) trade facilitation commitments.

### 2.1.4 Timeline and budget

The program will be implemented over a period of 5 years. The total envelope for Phase 2 will be $50 million, of which $15 million will be for Montenegro. This phase will aim to deepen multi-sectoral engagement which is being built on Phase 1 to reduce trade costs and increase transport efficiency as a long-term priority with sustained high-level commitment and a broad set of stakeholders.

## 2.2 Objectives of this Environmental and Social Management Framework

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

Although the potential subprojects have already been proposed for each of the phases, taking into consideration the large coverage of the project, and the overall duration of the Program, there is a great chance that a number of proposed subprojects will be developed, or further developed during the actual implementation of the project. In order to facilitate the adequate preparation of such subprojects, the ESMF is used to define and guide the environmental and social (E&S) due diligence mechanisms for the said activities.

The ESMF establishes principles, rule and procedures for assessment of E&S risks and impacts. It includes measures and plans for reduction, mitigation and/or compensation of negative risks and impacts, rules for estimating and budgeting costs of such measures, as well as information on the agency or agencies responsible for addressing project risks and impacts, including information on such body's capacity to manage E&S risks and impacts. It also includes adequate information on the area where a subproject is expected to be implemented, including any potential E&S vulnerability of such area; as well as information on the potential impacts and mitigation measures which could be implemented.

This ESMF has been prepared with the aim to ensure:

project compliance with WB ESF requirements all relevant local polices and legislation, as well as, and therefore
adequate mitigation of all potentially adverse E&S impacts of the Program.

This document provides a detailed description of the procedures related to assessment, management and monitoring of E&S risks and impacts of the subprojects. All subprojects to be financed under the

Program will be subject to an assessment of E&S risks by the PIUs, following the procedures described in this Framework. For "substantial" risk subprojects, an *Environmental and Social Impact Assessment (ESIA)* will be developed, while for "moderate" and "low" risk subprojects, an assessment will be carried out in line with the MNE environmental laws (depending on the subproject location) and will include preparation of a site-specific *Environmental and Social Management Plan (ESMP) or ESMP checklists*, all in line with this ESMF and provisions set forth under the World Bank ESF.

## 2.3 Basic information about the country

| | |
|---|---|
| Official name: | Montenegro |
| Abbreviation: | MNE |
| Capital: | Podgorica |
| Other major cities or towns in the project area: | Bar, Bijelo Polje, Niksic, Pljevlja, Herceg Novi, Kotor |
| Area: | 13,812 km$^2$ |
| Geographical position: | MNE borders Croatia, BiH, Serbia, Kosovo, Albania and the Adriatic Sea<br>  <br>*Figure 1: Geographical map of Montenegro* |
| Population: | 622,277 |
| Languages: | Official language: Montenegrin<br>Other languages used: Serbian, Bosnian, Albanian, Croatian |
| Government structure: | MNE is an independent parliamentary republic. The Government is the executive branch, and the Parliament is the legislative body. |
| Main industries | Steelmaking, aluminum, agricultural processing, consumer goods, tourism |
| Nominal GDP: | $5.5 billion (2018) |
| Nominal GDP per capita: | $8,846 (2018) |
| GDP growth: | 5,1% (2018) |
| EU status: | MNE has an EU candidate status. Accession negotiations with the EU are ongoing. |

# 3 BASELINE ENVIRONMENTAL CHARACTERISTICS OF THE PROJECT AREA

## 3.1 Geographic, Topographic and Geological Characterization

Montenegro is South East Europe (SEE), Western Balkan Country divided between coastal Adriatic belt (part of Mediterranean and sub-Mediterranean region) and predominantly mountainous karst inland. The inland area takes 13,812km2 and controls 2,440km2 of national sea waters, with 235km stretch of coast. Montenegro borders include those to Serbia, Kosovo, Albania, Croatia and Italy (the last only through international waters). The capital city is Podgorica while larger settlements include Niksic, Pljevlja, Herceg Novi, Bijelo Polje, Budva, Bar and Cetinje. These 8 towns encompass approximately half of total population. Montenegro counts population of 620,029 (2011 census). Thanks to its specific geopolitical placement and unique mixture of landscapes, climate, and hydrogeological features Montenegro is rich with cultural, historical and natural heritage. Biological diversity of Montenegro is rich and highly unique creating a biological "hotspots" of Europe. Protected natural areas include internationally recognized areas, two Ramsar sites (Special reserve for flora and fauna Tivatska solila and Skadar lake) and two UNESCO sites (National Park Durmitor and Kotorsko-Risanski Bay). For the reason of geographical sitting and geomorphology, Montenegro surface and underground waters belong to the Black Sea and Adriatic river basins, as such can be classified as predominantly international. The waters of the Black Sea basin are Drina, Piva, Tara, Ćehotina, Lim and Ibar, and the Adriatic basin is supplied by the Morača, Zeta and Bojana river basins. Bojana flows into Skadar Lake, shared with Albania. Due to the predominantly limestone composition of the rock mass, abysses, springs, pits, etc. are common.

## 3.2 Climate

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

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

## 3.3 Climate change

According to the climate change impact analysis presented in the *IWRM Study and Plan for Montenegro*[2], measurements in Montenegro have shown an increase in the mean annual temperature

[1] COWI (2016). Support to Water Resources Management in the Drina River Basin, Montenegro – IWRM Study and Plan – Background paper - Volume 1 – Main Report
[2] Ibid.

between 0.5 and 0.8°C during the period 1981-2010 with respect to the reference period 1961-1990. The fastest heating is noted in the decade 2001-2010 of about 1.0 to 1.4°C.

The annual precipitation decreased in the range from -1 to -6%, as observed during the period 1981-2010 compared to the 1961-1990. Although the change in total precipitation amount is not great, the concern is in the observed increase in intensity and frequency of extreme events including increase in rainfall intensity, more frequent droughts, more frequent storms during the winter, decrease in number of consecutive dry days and days with extreme precipitation, decrease in snow cover, more frequent extremely high temperature, more frequent and longer heat waves, less frost days and very cold days, etc.

According to the information presented in the Montenegro's Second National Communication under the UNFCCC framework, the annual mean temperature in the Montenegro will likely increase from 0.8 to 1.1°C relative to the base period from 1961 to 1990Overall, precipitation is likely to decrease from 10% to up to 20% in the different scenarios.

Evidence of climate change is apparent, with several heat waves experienced in recent years (notably in 2011).

# 4 SOCIO-ECONOMIC CHARACTERISTICS OF THE PROJECT AREA

## 4.1 Administrative organization

The territorial organization of Montenegro is determined both by the Constitution of the Republic of Montenegro and by several laws, of which the most important is the Law on Local Self-Government. The territory of Montenegro is divided into 27 local self-government units. These include administrative capital of Montenegro, Podgorica, and the Historical capital of Montenegro, Cetinje, and 25 Municipalities. Municipalities can consist of several urban (cities) and rural areas. Further, municipalities can be divided into smaller cells called "Local communities" (Mjesna zajednica) including place of "Community Centres", which are founded by a municipality for addressing common needs and interests of citizens in the smaller part of its territory. Local communities are usually formed in villages to address local needs and interests in the following areas: organization of settlements, housing, consumer protection, culture, physical education, the environmental protection and improvement. However, community centers have few or no legal authority, but should be deemed as a place for informing, consulting and interacting with the local community and its inhabitants on Project issues. The Local communities elect their "President", which is the person that represents the Local community.


**Figure 4-1 Montenegro administrative map**

## 4.2 Demography

It is estimated that on January 1st 2022 Montenegro had a total population of 617.683 inhabitants, out of which 305.174 men (49, 4%) and 312.509 women (50, 6%)[3]. It is estimated that the natural increase of population is still on the positive side although diminishing year after year (est. 1, 2% in 2018, compared to 5, 5% in 2001 or 2, 2% in 2011). Regardless of positive natural increase, the population shows decrease due to emigration trends to foreign countries (-0.34% annually, est. in 2018[4]). However, the most recent formal population census in Montenegro was conducted in 2011 and recent data are generated through official estimates provided by statistical Office of Montenegro - MONSTAT as the competent body for the production of official statistics. National and international public recognizes MONSTAT role as a provider of official statistics in Montenegro's statistical system. The 2022 Census is ongoing but data are not available at this point.

The Project will have nationwide positive impacts but physical interventions in improvement of Rail Level Crossings (minor civil works) will be limited geographically to possible selected areas in Podgorica (the Capital of Montenegro) and its settlements Vukovci, Moraca and Bistrica, the Municaplity of Tuzi to which the BCP Hani i Hotit /Bozaj belongs to and, the Municipality Bar and settlements Virpazar and Zutokrlica.

The latest population census in Montenegro was conducted in 2011. Key demographic data are presented for the areas within Project attributable impacts, in the table below[5] :

Table 4-1 Key demography Information

| **Demographical data** | **Total population** | **Gender** | | **Large age groups** | | |
|---|---|---|---|---|---|---|
| | | Female % | Male % | 0-18 | 18-65 | 65+ |
| Podgorica | 185.937 | 51,27 | 48,73 | 27,4% | 61,86% | 10,73% |
| Vukovci | 416 | 53,36 | 46,64 | 129 | 225 | 62 |
| Zeta (Municiaplity) | 16.231 | not available | not available | not available | not available | not available |
| Tuzi (Bozaj) | 4.748 | 50,4% | 49.6% | 1662 | 2709 | 377 |

[3] Source: Monstat: http://monstat.org/uploads/files/demografija/procjene/2021/procjene%20stanovnistva%20i%20osnovni%20demografski%20indkatori.pdf

[4] Source: CIA World Factbook;

[5] Source: Monstat: https://monstat.org - Montenegro population census 2011.

| Demographical data | Total population | Gender | | Large age groups | | |
|---|---|---|---|---|---|---|
| Bar | 42.048 | 50.84 | 49.16 | 8.920 | 25.979 | 5.600 |
| Virpazar | 277 | 49.10 | 50,90 | 73 | 164 | 40 |
| Susanj (Zutokrlica) | 2630 | 49.32 | 50,68 | 729 | 1643 | 258 |

| Major ethnic groups | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Montenegrins | Serbs | Albanians | Muslims | Roma | Bosniaks | Undeclared |
| Podgorica | 57,35% | 23,25% | 5,12% | 2,22% | 2,14% | 2,05% | 4,78% |
| Bar | 46,5% | 25,34% | 5,98% | 7,7% | 0,42% | 5,12% | 4,99% |

Fairly the same major ethnic groups are represented in each of the Settlements within these two centres, potentially with the exceptions of Municipality Tuzi with a higher share of Albanians.

## 4.3 Employment

In the 2018, active population[6] of Montenegro consisted of 279,9 thousand (44,98% of total population), of which there are 237.4 thousand or 84.8% employed and 42.5 thousand or 15.2% are unemployed persons. The inactive population consists of 219.9 thousand persons (35,3% of total population). The unemployment rate shows constant decrease in previous years, as table below shows:

**Table 4-2 Unemployment population and rates in Montenegro**

| Year | Unemployed persons[7] | | | Unemployment rate | | |
|---|---|---|---|---|---|---|
| | Total | Men | Women | Total | Men | Women |
| | in 000 | | | in % | | |
| 2012 | 49.4 | 26.8 | 22.6 | 19.7 | 19.3 | 20.3 |
| 2013 | 48.9 | 27.8 | 21.1 | 19.5 | 20.0 | 18.8 |
| 2014 | 47.5 | 25.9 | 21.6 | 18.0 | 17.8 | 18.2 |
| 2015 | 47.2 | 26.0 | 21.1 | 17.6 | 17.7 | 17.3 |

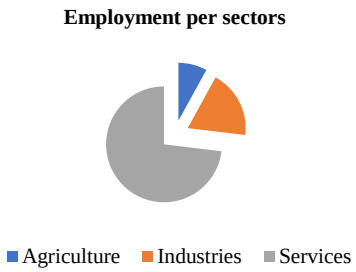
[6]The term "active and inactive population" refers to the population of Montenegro between 15 and 74 years of age. Active population are either employed, or unemployed but actively searching for an employment during last four weeks from the day the survey is taking place.

[7] The number of unemployed and their respective percentages doesn't include inactive population and population below 15 and above 74 years of age.

| Year | Unemployed persons[7] | | | Unemployment rate | | |
|---|---|---|---|---|---|---|
| | Total | Men | Women | Total | Men | Women |
| | in 000 | | | in % | | |
| 2016 | 48.3 | 27.5 | 20.8 | 17.7 | 18.2 | 17.1 |
| 2017 | 43.9 | 23.4 | 20.6 | 16.1 | 15.4 | 17.0 |
| 2018 | 42.5 | 23.9 | 18.5 | 15.2 | 15.2 | 15.1 |

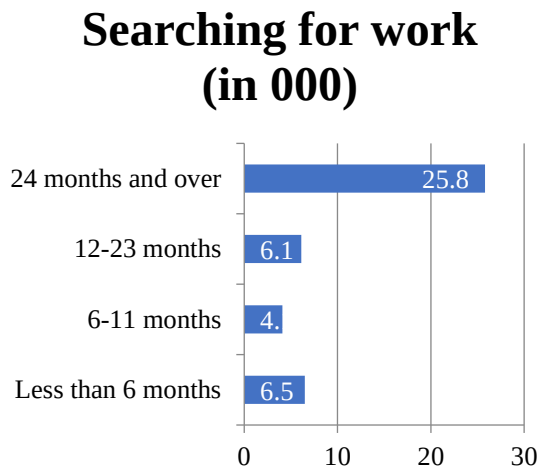
The employment structure per economy shows orientation towards tertiary sectors as shown in the figure below:

**Figure 4-1 Employment per sectors**




Unemployment structure per time previously spent in searching for work is unfavourable, as shown in the figure below:

**Figure 4-2 Time waiting for employment structure**




**The Table[8] below shows employment estimation data in Podgorica compared to the national average level:**

**Table 4-3 Employment rates in Montenegro and Podgorica and Bar 2018**

| | | Montenegro | Podgorica | Bar |
|---|---|---|---|---|
| **Active population** | In 000 | 279,9 | 100,4 | |
| | Rate [9] | 56% | 68,6% | |

[8] For all data in this chapter, including this table, the source was: Monstat: https://monstat.org, Labour force census, publication 01.04.2019.

[9] Calculated out of population older than 15 years and younger of 74 years of age.

| | | Montenegro | Podgorica | Bar |
|---|---|---|---|---|
| | Female % | 48,1% | 61% | |
| **Inactive population** | In 000 | 219,9 | 46,0 | |
| | Rate | 44% | 31,4% | |
| | Female % | 51,9% | 39% | |
| ***Employed*** | In 000 | 237,4 | 90,7 | |
| | Rate | 47,5% | 62% | |
| | Male | 133,2 | 48,5 | |
| | Female | 104,2 | 42,2 | |
| **Employed male/female ratio** | | 1,27 | 1,14 | |
| **Unemployed**[10] | In 000 | 42,5 | 9,7 | |
| | Rate | 15,2% | 9,7% | |
| | Female % | 15,1% | 8,5% | |

The Table above at first glance shows that Podgorica is the most developed part of the country, at least when considering employment rates. However, it also shows a gender gap that is still present in the Montenegro society that should be kept in mind during social studies: women are still often given or inclined to take role of stay home caregivers. The numbers of female active and employed persons and ratio asseverate of a gender gap and a relative inequality. However, these differences are less distinct in the area of Podgorica as most urban part of the country.

There is a high inactive population rate of the labour force (persons of working age not looking for a job actively at least during previous four weeks since the survey took place).

## 4.4 Immigration

During the end of 20th century and the beginning of 21st century, Montenegro suffered loss of population by emigration. The reasons for the emigration of the population can be found in the low level of economic development and wars that took place in ex-Yugoslavia countries (1991-1999). the negative trend of the migration balance was somewhat reduced and amounted to 16.442 population decrease by migrations. During recent years, migration balance of Montenegro rouse again to reach 2400 decrease of population due to economic migration per year. It is estimated that presently close to 70.000 Montenegrins lives and work abroad.

The population decrease by emigration is not impacting all regions and all municipalities of Montenegro in the same way. Due to internal migrations, municipality of Podgorica is constantly experiencing

[10]Calculated out of active population

increase in population over recent years by positive net migrations (1.418 net increase of population by migration in 2018), mostly for economic reasons and education.

According to UNHCR's Statistical Online Population Database in 2017, there were 12.813 "persons of interest ", mostly in the municipalities of Podgorica, Herceg Novi and Bar. However, only 163 persons (from Syria, Iran etc.) can be attributed to the recent refugee international crisis. As per Montenegro law, these refugees seek asylum but, in most cases, during administration waiting process, continue their journey further to western Europe countries. There are no refugee or IDP camps or settlements on the Podgorica bypass route. However, it is established that close to one third of all refugees and IDPs located in Montenegro lives in Podgorica.

The Government of Montenegro adopted an "Act on permanent resolution of the status of IDPs" in 2011, there are still significant number of persons with an unresolved status. .

## 4.5 Economy

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

The Gross Domestic Product (GDP) is been on a steady rise in recent years. It reached the value of EUR4.299 million in 2017, and EUR6.908 per capita which represents a better GDP per capita than those of some of the other countries in the region (Serbia, Bosnia and Herzegovina, Macedonia, Kosovo and Albania) . Real and nominal BDP growth has mostly been positive and steady during the last decade, reaching 2.5% real and 6.5% nominal GDP growth average.

In 2017, the national GDP was attributed to: 6.9% to agriculture (with constant decline over the last decade), 6.6% construction (constantly on the rise in last decade), industries to 15% (shows decline in recent years), and services around 76%, out of which 12.3% to retail and wholesale trade and 7.2% to tourist accommodation and boarding. However, it is estimated that over 20% of real GDP value can be attributed to tourist driven consumption, possibly even more when effects of informal economy are taken into account, making this economic sector the single most important Montenegro economic activity. Tourism brings in three times as many visitors as Montenegro’s total population every year.

Comparing various economic indicators by Montenegro municipalities shows that Podgorica is fifth most developed municipality in Montenegro with 141,13 relative development indexes (RDI), preceded only by Budva 331.73 (RDI) 2. Tivat 173.09 RDI, 3. Herceg Novi 160.17 RDI, and Kotor. The Table below shows employment rates of Podgorica compared to national levels per different industries:

**Table 4-4 Employment rates per main activities**

| Employment rates (%) per industry | Montenegro | Podgorica | Bar |
|---|---|---|---|
| Agriculture | 1,19% | 1,95% | 1,12% |
| Industry, including mining, electricity and water production | 10,66% | 9,84% | 0,42% |
| Construction | 5,87% | 4,96% | 5,99% |
| Transport and storage services | 5,91% | 6,66% | 15,77% |

| Employment rates (%) per industry | Montenegro | Podgorica | Bar |
|---|---|---|---|
| Wholesale and retail trade | 20,15% | 21,63% | 22,4% |
| Accommodation and food service activities | 8,24% | 4,39% | 7,09% |
| Communication, financial and real estate activities | 6,01% | 9,63% | 1,24% |
| Professional, scientific and technical activities | 4,45% | 4,11% | 1,35% |
| Administrative and support service activities | 5,52% | 2,02% | 2,13% |
| Public administration | 11,69% | 14,20% | 7,25% |
| Education and health services | 14,41% | 13,37% | 6,12% |
| Arts, entertainment and other activities | 4,99% | 5,71% | 2,82% |

The Table above on the left offers additional insight on the specifics of economy aspects. Both at national and Podgorica and Bar municipality level agriculture employment is at very low level. However, it should be kept in mind that households in some cases uses agriculture as additional income, producing products for own consumption or for small scale trade in local markets. In some cases, they are employed elsewhere, retired, keeping unemployed status etc. and would therefore not be included in this oversight. There are close to 7000 agricultural households in Podgorica alone depending on labour of 2.700 retired persons.

Percentage of employed in public administration in Montenegro is high (expectedly higher in the capital city). When we add education and health services employed (which are by vast majority owned by state) and some other employees, we can deduct that close to one third of employed persons are paid by the state budget.

Lower percentage of employed in accommodation services (most employed in this sector is in Coastal region) and higher percentage in financial activities (Podgorica is the national financial sector).

The influence of informal economy in Montenegro can be considered significant. Although there are no official statistics on the influence of the informal economy, in Montenegro, some estimates have shown that this percentage of this from of economy amounts to 26-31% of the GDP, depending on the width of the definition of the grey economy that was used in different surveys. The most common forms of informal economy in Montenegro are informal forms of employment , that can occur both in formal and informal economic entities and informal business (when the entire economic activity of the subject passes beyond the legal regulations, completely unregistered), as well as partially informal economy subjects (that base often significant part of their economic activity beyond legal regulations and unregistered maintaining part of it registered in order to keep the legal facade). The informal economy influence on touristic economical sector is considered to be very high.

## 4.6 Land use and land property

According to the Law on state survey and real estate cadastre, data on land ownership, persons with ownership rights and other rights on land and buildings are kept in the Real Estate Cadastre (or Real Estate Administration). The Administration is also in charge of creating the Geodetic Informational System (GIS), Land Administration and Management Project (LAMP) and system of Infrastructure of

National Land Data (NIPP). However, most of these systems are still under construction and information about land property is available only by individual request.

After adopting Law on Housing Relations Floor property law, the Law on restitution of property rights and compensation, The Privatization law and implementation of these laws and other consistent legal solutions, most of the real estate, including buildings, agricultural land, construction land etc. became private property. As a result, agricultural land is presently close to 99% privately owned, mostly by agricultural households (96.3%), while the rest is owned by companies and cooperatives, again mostly private capital. However, concerning construction and forest land, there is still a significant portion of that land remaining in state or municipality ownership. Construction land in state or municipality property is used by various public services, under infrastructure buildings and construction as well as protective area around such buildings, public utility companies, military or police forces, some small area for housing purposes, as property of still not privatized companies.

According to the Real Estate Administration of Montenegro, in the period from 2006 to 2009, foreign citizens became owners of 19,209 hectares and 1,529,001 square meters of apartments, or 1.4% of construction land and 8.4% of apartments in Montenegro. According to the current laws, there are no special restrictions in Montenegro for the purchase of real estate in Montenegro. Every foreign buyer can become the owner of the property (houses, apartments, estates) in Montenegro, in the same way as its citizens.

Approximate structure of land use for the total territory of the Republic of Montenegro (total area: 13.812 km2): agricultural land approximately 5.140 km2 or 37% of the territory; forests approximately 6.622 km2 or 45% of the territory, and settlements, roads, stony areas and other categories approximately of land use approximately 2.442 km2 or 18% of the territory. However, Montenegro has only 741 km² of the higher quality agricultural land (5,4% of the territory) what indicates that it has special importance for Montenegro. It should be noted that the largest portion of the higher quality arable land is located in the municipality of Podgorica: 17% of quality arable land is located at 10,4% of the countries area. Part of this higher quality arable land is located along the route of the Podgorica bypass Highway section along the ridge of Ćemovsko polje at sites: Tološi, Donja Gorica, Farmaci, and Beri. However, the largest areas of high-quality arable land is located in the southern part of the Podgorica municipality, north of Skadarsko lake and away of the Highway routes.

Of the total agricultural land of Montenegro, 12.05% is in Podgorica municipality. The most important crops in Podgorica are: watermelons and peppers (two thirds of all production), and tomatoes (40% of all production). Vines are the most represented culture in Podgorica and 77.71% of the grapevines in Montenegro are located in the area of Podgorica municipality, mostly in the Skadarsko lake basin south of the city (not affected by the Highway route). The largest plantations of grapevines in one complex in Europe are owned the company "13. July - Plantaže "in Podgorica, and as such represent the largest producer in Montenegro. Other fruits are significantly less represented in this area.

Also, the number of livestock owned by agricultural households is Podgorica (besides poultry) is less significant than in other Montenegro regions. However, 19,97% of all beehives are located in Podgorica area.

However, a strong trend of urbanization and construction on agricultural land is already present in Montenegro. Conversion and permanent loss of agricultural land causes damage to agriculture, and other negative consequences are also evident - land erosion, pollution of the natural environment and destruction of cultural heritage in certain areas.

As already presented, the key agricultural producer in Montenegro are the agricultural households. Having to battle unfavourable structure of land, small area of plot, lack of irrigation, agricultural households are by far the main producer of agricultural products in Montenegro. Acquisition of land overall let alone of arable, cultivated land, used meadows and pastures, beehives etc is not expected.

## 4.7 Transport and Rail Level Crossings and Border Crossing Points

This chapter will in short address several issues of importance to the communities and municipalities that will be under impact of the Project, including transport, water supply and sewage, waste management, electrical supply, telecommunications, education and health services.

*Transport:*

The existing railway network in Montenegro consists of single-track rails of standard width: Vrbnica – Bar, part of the Belgrade-Bar railway passing through Montenegro; - Podgorica – Tuzi – state border (Podgorica – Shkodra railway section); - Podgorica - Nikšić. The total length of railways is 248.6 km.

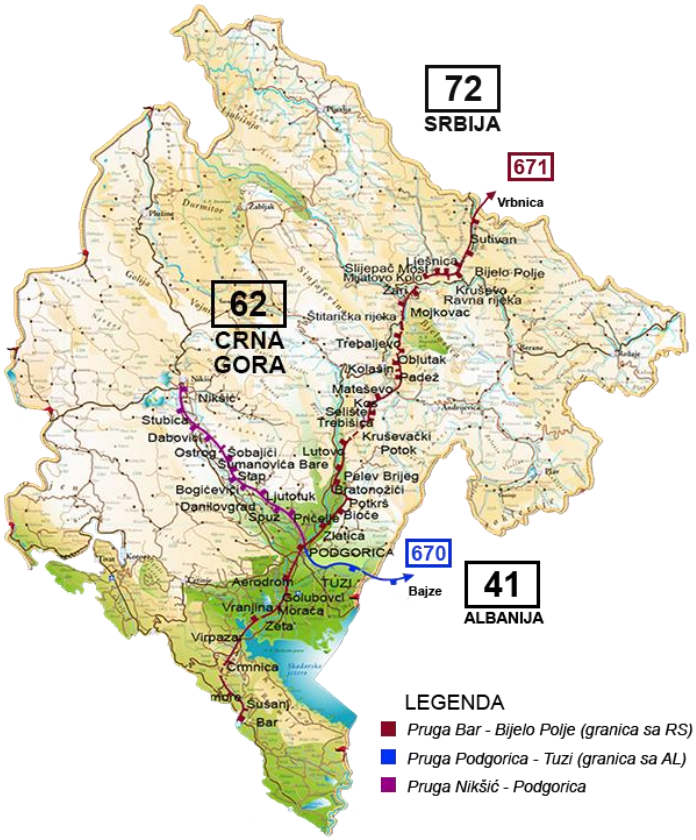



**Figure 4-3 Montenegro railway network**

The primary airport network of Montenegro includes the airports of Podgorica and Tivat. The air traffic infrastructure of Podgorica Airport has higher capacities, area and installations from the current level of use. However, the number of flights and passengers has been significantly growing during previous years. From 2016 (873.000 passengers) to 2018 (1,2 million passengers) it has risen for nearly 50%. The airport "Podgorica" is located south from the city and not near the Podgorica bypass highway route.

Regardless of the fact that Montenegro orientation as a Adriatic and maritime country, the nautical traffic, both in passengers' numbers and tons of goods, is not that developed. The only two important international ports are at Bar and Kotor, both internationally ranked as "small ports". The construction

of the Bar-Boljare Highway should increase possibilities for maritime passenger and cargo transport, both in constant fall over last decades.

Length of roads in Montenegro in 2016 was 8 625 km. Regarding the type of road the highest share in the 2016 had an asphalt surface whose length was 6 147 km (71.3.%), followed by gravel with 1 664 km (19.3%) and earthen roads with 814 km (9.4%). Number of bridges in 2016 was 427. Number of registered road motor vehicles in 2016 amounted 209 098. There are 326 registered motor vehicles per 1.000 inhabitants, which is a significantly higher average than most countries in the region (Serbia 288, BiH 258, Macedonia 206, Albania 167, Kosovo 150). During the year 2016 motor vehicles registered in Montenegro carried 852 thousand tons of goods and performed 120 582 thousand tons-kilometres. Distance travelled by loaded vehicles was 5.264 thousand kilometres. Exported goods were transported by road vehicles in 45% of volume but close to 90% in value, and import transport by roads amounts to around 88% of value of all imported goods.

As previously explained, Podgorica city is the capital of Montenegro, as well as the centre of most of regional and country's economy, financial and cultural activities, and the main location of providing educational, health and other important services to the population in the area. Podgorica bypass construction may interfere with important daily migrations and commuting for work, public transport routes, education health service and other purposes. Although preliminary design envisage solution for intersections with all roads (underpass, overpass, bridge etc.), construction works may disturb day-to-day usage of these roads for population orbiting to the city of Podgorica. Impacts, especially those for settlements that will be cut off from the city by their only road, like Kornet and Kruse, must be further included in the ESIA analysis, including mitigation measures like road alternatives planning, precautionary public notice and consultation in the early stages, stakeholder engagement, additional safety measures, alternative routes etc.

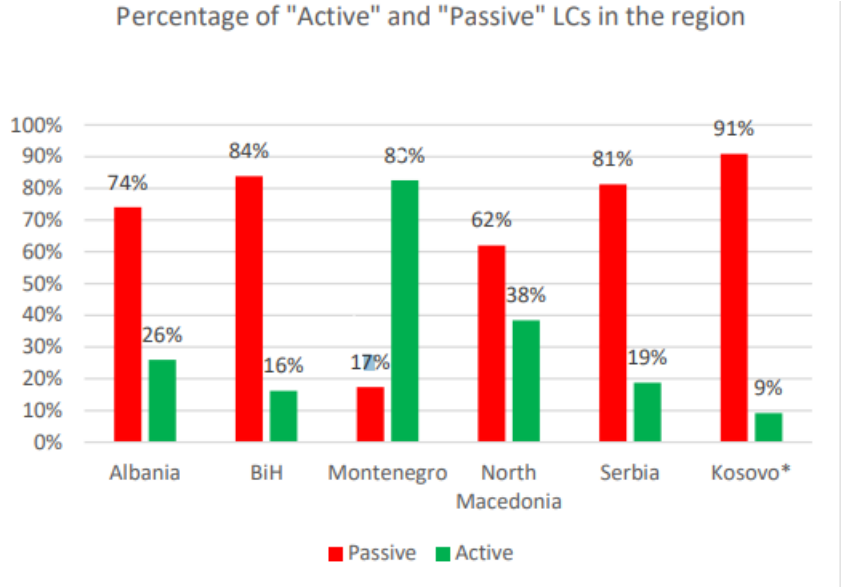
The number of traffic accidents in 2016 was 5 229, compared to 2015 it increased by 5,8%, when the number of accidents was 4.944. Number of road casualties in 2016 was 2.423 (of which 2 358 injured and 65 killed persons), which is an increase of 8,9% compared to 2015. The road accidents number is following the same pattern as the traffic density which is significantly higher in summer months. Looking at the number of road traffic related deaths per 100.000 inhabitants index, Montenegro had 10.5 index in 2016 which is a lower number compared to some countries in the region (Albania 15.1, BiH 17.7) and higher than other countries (Serbia 10.4, Macedonia 9.4, Croatia 9.2). For comparison, this World-wide average index is 17.4, but in European countries this index is in 9.3 average, which is lower than Montenegro index.

Public transportation in Podgorica municipality (in the city, but also transport from rural suburbs and settlements to the city of Podgorica) is organized by several privately owned companies. That means that public transport from rural settlements that has less regular passengers is at lower level.

**Rail Level Crossings:**

The rail safety is recognized as the most important parameter in the rail traffic. There are a lot of subjects which can make higher or lower influence on rail safety. One of the most sensitive issues are level crossings. These are places where collision between two inland modes of transport exists. In an ideal situation, denivelation is the best solution. However, just one small number of LCs have underpasses or overpasses. It means on the rest of the LCs in the same level requires more attention in terms of road and rail safety. The proper legislation is a crucial part for keeping good level of safety but not sufficient. Other factors as the LCs equipment, their operational condition and maintenance, the respect of the road signalisation by road users, marking of LCs with proper road signalisation, the triangle of visibility, and

density of road traffic can affect the safety on LCs. 1.3. Protection of Level crossings According to the EU legal classification (reference to Directive (EU) 2016/798 on railway safety from 11 May 2016), LCs are divided into "Active" and "Passive" (where "Passive" are those where roads cross the railway without any form of warning system or protection activated when it is unsafe for the user to use the crossing, whereas "Active" are those where the crossing users are protected from or warned of the approaching train by the devices activated when it is unsafe for the user to traverse the crossing). In EU MS, 45% of LCs are "Passive", i.e. 55% "Active", while the related averages in the WB6 are much worse, i.e. in favour of the less safe "Passive" LCs. (24% of "Active" and 76% of "Passive)[11].




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

| Rail distance NIKŠIĆ PODGORICA | | | | |
|---|---|---|---|---|
| | Location of LCs | overpass | underpass | note |
| 1 | MUŠOVINA | Not applicable | Not applicable | |
| 2 | KLIČEVO | Applicable | Applicable | Advantage for underpass |
| 3 | SLAP | Not applicable | Applicable | |
| 4 | SEKULIĆI | Applicable | Applicable | Advantage for underpass |
| 5 | KOPITO PETROVIĆA | Not applicable | Applicable | |
| 6 | KRUŠČICE | Not applicable | Not applicable | Reason: parallel roads |
| 7 | MARTINIĆI | Not applicable | Applicable | |
| 8 | PRENTINA GLAVICA | Not applicable | Applicable | |
| 9 | BURUM | Applicable | Applicable | |
| 10 | ŠUNJINE | Not applicable | Not applicable | |
| 11 | PRIČELJE | Not applicable | Applicable | |
| 12 | DUKLJA | Not applicable | Applicable | |
| 13 | ZAGORIČ 2 (GROBLJE) | Not applicable | Not applicable | Reason: parallel roads |

| Rail distance PODGORICA BAR | | | | |
|---|---|---|---|---|
| | Location of LCs | overpass | underpass | note |
| 1 | ZAGORIČ | Applicable | Applicable | But very complex area with more connecting roads. LCs is over two lines: Podgorica-Niksic and Podgorica-Vrbnica |
| 2 | CIJEVNA | Applicable | Applicable | |
| 3 | MAHALA | Not applicable | Applicable | |
| 4 | VUKOVCI | Not applicable | Not applicable | Reason: not enough space |
| 5 | MORAČA | Not applicable | Applicable | It is used just for the private company |
| 6 | BISTRICA | Applicable | Applicable | It has to be installed under the angle regarding the rail and magistral road. |
| 7 | VIRPAZAR | Not applicable | Not applicable | Perhaps a different road solution for accessing Virpazar should be assessed |
| 8 | ZUKOTRLICA | Not applicable | Not applicable | |
| 9 | ŠUŠANJ | Not applicable | Not applicable | |

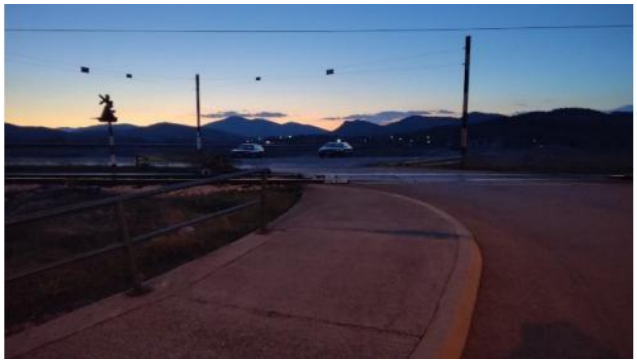
LC “ZAGORIČ” km 53+623 (42.455459,19.283660) Level crossing “Zagorič” is located just in front of the station Podgorica in km position 52+689. It is a crossing between two single track rail lines with local road. Denivelation is possible with underpass or overpass.



LC CIJEVNA in km 411+660 (42.377199,19.240139) Level Crrosing “Cijevna” is located between rail stations Podgorica and Golubovci in km position 411+660. Here is possible denivelation with both (underpass or overpass)


LC MAHALA km 414+241 (42.355812,19.228182) Level Crossing “Mahala” is located between rail stations Podgorica and Golubovci in km position 414+241. Denivelation is possible by underpass. (

LC VUKOVCI km 417+193 (42.332968,19.209899) LC Vukovci is located in the area of rail station Golubovci in km 417+193.



8. LC MORAČA km 419+105 (42.315937,19.206771) Level Crossing “Morača” is located on the distance between stations Golubovci and Zeta in km position 419+105. Underpass is preferable option here, however special attention should be paid to the under water. This LC is unique because users are not citizens just trucks and staff from one private companys

LC BISTRICA km 422+692 (42.305944,19.174002) Level Crossing Bistrica is located on the distance between stations Golubovci and Zeta in km position 422+692.


LC VIRPAZAR km 433+136 (42.274081,19.089782) Level crossing “Virpazar” is located within rail station “Virpazar” in km position 433+136.


LC ŽUTOKRLICA km 450 839 (42.114430,19.087473) LC “Žutokrlica” is located between stations Sutomore and Bar u km position 450+839.


LC “ŠUŠANJ” km 452+039 (42.110550,19.099893) LC “Šušanj” is suited on the rail distance Sutomore–Bar in km position 452+039. There are no possibilities for the denivelation because of the conditions in area.

*Water supply:*

Coverage of water supply by central water supply in Montenegro urban areas can be considered good, as around 99% of all urban areas are covered. In Podgorica, 56.440 households get water from city waterworks supply, or 155.730 citizens, which is close to 100%. However, rural areas still in many cases depend on their local supply systems. In Podgorica, 80% of the rural area is covered with city water works. There are additional 10 local water supply systems that supply water for particular rural settlements. Household with water supply by individual wells in Podgorica municipality are rare (not including supply of technical water for agricultural needs).

Public utility company "Waterworks and sewage" Podgorica is owned and managed by the capital of Podgorica. The quality of drinking water in the city waterworks is permanently tested by a certified laboratory and is reported by the public utility company to be favourable. Most of the water is supplied from the underground water sources at Mareza, Zagorič, Černovsko polje, Dečići and others. Zagorič water supply source and area of protection is near the Highway route of Podgorica bypass.

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

*Sewage system:*

Only around 60% of the city urban area is covered by a central sewage system. This percentage is much lower in the rural areas of the municipality. Around 92% of all apartment buildings are connected to the city sewage, and only around 7% of houses, which means that around 55% of municipality population is not connected to the sewage system. Households that are not connected to the sewage system use individual (or building) underground septic tanks which are usually porous (intentionally), so the wastewater are partially discharged to the underground without any purification. This add to the pressure on pollution of groundwater and the trend has been in a significant increase in the past decades, which is mainly due to the unbalanced or the absence of an integral approach in the system wastewater disposal.

The current system and the capacity of sewage discharges do not meet the needs of users in the municipality of Podgorica. Discharge systems are in bad condition; waste waters are in some cases discharged without purification and the consequences that can arise from this to the ecologic system and to the health of the population makes this issue one of the most pressing matters for resolving in the near future. The sewage system is under regulation and authority of the PU company "Waterworks and sewage", Podgorica.

Similar to waterworks issues, constrains of the sewage system should be kept in mind when organizing worker accommodation or other process that could strain the local sewage system. As discharging industrial and construction site waste waters into the sewage system that doesn't have proper purification system, or directly to river waters is common practice in Montenegro, additional control measures of contractors and sub-contractors on construction waste waters discharge must be deployed. Also, organized mobile toilets must be available to construction workers and employees at remote construction sites.

*Waste management:*

According to the official reports on the implementation of the National Waste Management Plan in Montenegro, the quality of data on the quantities of municipal waste produced in the territory of a number of municipalities of Montenegro is not at a satisfactory level. The calculation takes into account that the citizen of Montenegro in average produces about 0.86 kg per day.

The collection of municipal waste produced by population and business in Podgorica is performed by JP "Čistoća" Podgorica, while disposal / disposal of waste in landfills is the jurisdiction of the JP "Deponije". Podgorica modern sanitary landfill is located in Livade. In addition, the disposal of construction waste is organized on legal landfills on Sitnica and Mojanskom krstu.

In rural areas, only 30 percent of the total amount of generated waste is collected. Since waste is often disposed of in unauthorized places, it presents a major problem as it disturbs the environment, endangers human health and impairs the aesthetic image of the environment. The lack of a quality waste management system as well as the monitoring of construction waste management in the Podgorica area results in a certain amount of waste, with the most potentially environmental and health impacts (waste oils, old batteries, drugs, etc.), in daily quantities of several tons finishing in "wild landfills". One of the biggest problems is the extremely low level of awareness among citizens regarding this issue, as well as the irresponsibility of the companies. In the territory of Podgorica, a significant number of spontaneous landfills are registered (where municipal waste, car tires, cabbage and construction materials, etc.) are deposited. Additional problem is the percentage of the construction waste produced during the construction and reconstruction of the transport infrastructure. Development of transport infrastructure generates large quantities of construction waste on one side, and on the other, leads to intensive exploitation of natural resources (building stone and aggregate). Adequate management of construction waste reduces the amount of waste in general, while also reducing the excessive exploitation of natural resources, which also entails space degradation (quarries) .

The treatment of construction generated waste and its disposal is the subject of EIA analysis. It should be pointed out that the key discrepancies between GIP and national practices are not found in legally proclaimed gaps, but in tendency not to uphold the proclaimed standards and regulations. These issues need to be addressed by enforcement practices and standards by: organizational measures by the Project Promoter to control contractors and sub-contractors' arrangements and implementation on several issues mentioned in this section: water waste, solid and construction waste management, on-construction site conditions and equipment (solid waste containers, mobile toilets etc.) which needs to be embedded in the ESMP and strenuously executed during works. In addition, education and instruction for workers and employees of such standards, procedures and measures must be organized.

*Telecommunications and information network:*

According to World Bank report, since 2016 Montenegro reached 100% access to electricity supply, in both urban and rural areas.

The current situation in telecommunications is determined by the Law on telecommunications and Law on radio diffusion as well as by actions of two regulatory agencies (Agency for telecommunications and Agency for Radio-Diffusion). In land-line telephony 5 operators with licenses for providing telecommunication services through land-line and land-line wireless access exist. Due to development of mobile technology, the number of land-line prescribers is dropping, now reaching around 153.000 subscriptions nationwide or only 24 subscriptions per 100 inhabitants. Mobile telephony with 3 operators with adequate licenses has more than 1,000,000 users (or 163 subscriptions per 100 inhabitants making Montenegro one of the countries with highest number of mobile phone users per inhabitant). Territory coverage by mobile telephony services is approximately the same for all operators and it exceeds 95%.

Broadcast (57 radio stations and 19 TV stations) cable and wireless operators for distribution of radio and TV programs to final users includes transmission and distribution of radio and TV signal for purposes of public broadcasting services. Radio Program's signals cover 97% of population. However, it should be kept in mind that only 77,2% of households have a radio receiver (including car receivers), but 97,2% of households possess a TV set, making TV announcements more effective way of passing on information to the general public.

The number of internet users is estimated to be around 450.000 inhabitants, or close to 70% of the population (includes using internet only once or twice of week). Data show that 49,2% of households have a personal computer at home, and 44% has an internet connection. However, 72% of persons aged between 55 and 64 years and 96,6% aged over 64 years never used the internet.

There are also four (there are actually five - Vijesti, Dan, Pobjeda, Dnevne novine and Monitor) nationwide delivered printed daily newspapers, with 63 more national and local newspapers with periodical editions (weekly, monthly) .

The estimation of the telecommunication and information network coverage is very important when it comes to the method of approach and communicating information about the Project to the general public, local communities and persons affected by the Project. It should be kept in mind that usually those that doesn't use the internet, doesn't receive newspapers and don't own a radio or TV set are usually part of most vulnerable groups (elderly agricultural and remote households, poor, persons with less education, closed minority communities etc).

*Educational system*

Pre-school education and education in Montenegro is realized in pre-school institutions, which can be state (public) or privately owned. In Montenegro, in school year 2014/2015 there were 21 public preschool institutions, with a network of 103 education units (separate locations part of one system), which organized 515 different age educational groups. Private preschool institutions (14 institutions work with a license Ministries of Education) exist in just a few urban environments (including Podgorica with 9 private kindergartens) and includes small number of pupils (only 3% of the total number of pupils). Montenegro has a relatively low enrolment rate of children aged 3–6, at 52.4% (Podgorica 62%), well below the EU target of 95% by 2020 and in contrast with the high enrolment rates in primary and secondary education (98% and 85%, respectively).

There is an insufficient preschool physical capacity in Southern and Central regions to cover the total number of children and under-used capacities in the Northern region. The average group size of 3-6-year-olds in the public PSIs varies greatly by municipality: from 41 children per group on average in Herceg Novi and the public preschool institution "Ljubica Popović" in Podgorica to only 12 children per group in Andrijevica.

In Podgorica there are:

- 2 state preschool institutions (with many educational units)
- 19 private preschool institutions (two of which are international),
- 30 state primary schools,
- 1 private international elementary school,
- 11 secondary schools (10 state and one state-private) .

Spatial distribution of secondary schools is also imbalanced on municipal and regional level. The largest number of secondary schools and higher vocational schools and colleges are located in Podgorica. Reform of the system according to Bologna declaration is ongoing and ECTS is applied at the University of Montenegro since 2003/2004. The main higher education institution is the state-owned University of Podgorica with 12 faculties, two independent study programmes and two institutes.

The main issue regarding the impact of the Project to families with pre-school and elementary school children is the daily regular transport from their home in more remote villages to the education units and elementary school centres. However, it is organized (by pre-school or school busses, by public transport or by family car), there is a need for regular daily route that can be influenced by Project construction (delays, local road closure etc). Also, regular routes for secondary school pupils and students to Podgorica may also be interrupted in the same way. Contractors and third parties working on the Project should try to avoid delays and closure of local roads used for children school transport during school begin and end hours, and if not possible, to promptly communicate the schools and local public about delays, closure, alternative routes etc.

*Health facilities*

Although lagging behind EU countries, Montenegro has an increase of key health care index during the recent years. There were 2,34 physicians / 1000 inhabitants (2015) in Montenegro (Croatia - 3,13, BiH 1,89, Serbia 2,46, Albania 1,29, Macedonia 2,88) and 4 hospital beds / 1000 inhabitants (2012) . Number of inhabitants per one physician fell from 476 in 2012 to 378 in 2016, whilst the number of hospital beds per inhabitant remained the same.

Health Centre Podgorica is a reference centre for primary health care. It operates at 42 locations around the municipality. There are four large health centres in the Podgorica city: Block V, Nova Varos, Stara Varos, Konik. Also, larger points are located in Golubovci and Tuzi. Health stations exist in Maslin, Zagorič, Donja Gorica, Zabjela and Tološi. In the rural area, there are rural ambulances (Vranjina, Lijeva Rijeka, Ubli, Bioča, Zatrijebač, Traboin, Dinoša, Pelev Brijeg, Baloča, Barutana, Gradac, Drezga and Skorać) that serve as health checkpoints for health care services once a week

The most important state health institution, the Clinical Center of Montenegro, as an institution at secondary and tertiary level of health care, is located in Podgorica and it also provides services secondary level for the population of Podgorica, but also to closer municipalities of Danilovgrad and Kolašin, both located north from Podgorica, so the Clinical Centre of Podgorica, located in the Podgorica city centre, provides secondary health care close to 220.000 persons. Around 32,000 patients are annually hospitalized at the Clinical Centre, with the capacity of 778 hospital beds, around 10,000 surgeries are performed, 3,000 births, 9,000 dialysis, 32,000 CTs diagnostics, 10,000 MR diagnostics and numerous other diagnostic and therapeutic procedures.

Similar to the issue with the education system, there is a need for open daily routes for emergency patients, dialysis and elderly patients that can be influenced by Project construction (delays, local road closure etc), even more so considering that Podgorica is a regional secondary and tertiary health care centre. The contractors and third parties working on the Project should try to avoid delays and closure

that can significantly influence those routes and promptly communicate the health facilities and general and local public about delays, closure, alternative routes etc. Also, contractors and third parties involved in construction works for the Project should communicate with local health centres and hospitals for health issues and include their specific capacities in ESMP, including them into Health and Safety plans, health emergency procedures, health protection in case of influx of workers on the Project, information about endemic infectious diseases, establish a system to regularly monitor the health of employees and cooperate, as appropriate, on mitigation measures and plans for community health and safety.


### 4.7.1 Border Crossing Points:

List of BCP/CCP in Montenegro[12]

| No | Neighbouring Economy1 | Neighbouring Economy 2 | Corridor /Route | Crossing point (1) | Crossing point 2 |
|---|---|---|---|---|---|
| 1. | Montenegro | Albania | Route 2b | Bozaj | Hani I Hotit |

[12] Study for border crossing facilitation and improvement of the crossborder road transport on the indicative extension of TEN-T Road Core/Comprehensive Network in the Western Balkans, Final Report 2019

| | | | | | |
|---|---|---|---|---|---|
| 2. | Montenegro | Albania | Route 1 | Sukobin | Murriqan |
| 3. | Montenegro | Bosnia and Herzegovina | Route 2b | Scepan Polje | Hum |
| 4. | Montenegro | Croatia | Route 1 | Debeli Brijeg | Karasovici |
| 5. | Montenegro | Serbia | Route 4 | Dobrakovo | Gostun |
| 6. | Montenegro | Serbia | Route 6a | Dracenovac | Spiljani |
| 7. | Montenegro | Kosovo | Route 6b | Kula | Kulina |

Figure:BCP Hani Hotit Bozaj in Municipality Tuzi

## 4.8 Source of income and poverty

Montenegro has a dependency ratio of 47.8 (persons that are likely to be dependable on support per 100 inhabitant working age inhabitants). This number consists out of two groups: young people dependency (children 0-14 years of age) 27.3 per 100 working age inhabitants, and elderly persons (age 65+) of 20.5 per 100 working age inhabitants. Compared to the regional countries average (Croatia - total dependency ratio: 50.9; youth dependency ratio: 22.4; elderly dependency ratio: 28.5; Bosnia and Herzegovina - total dependency ratio: 43.3; youth dependency ratio: 20.7; elderly dependency ratio: 22.5; Serbia - total dependency ratio: 49.2; youth dependency ratio: 24.9; elderly dependency ratio:

24.3; Macedonia - total dependency ratio: 41.6; youth dependency ratio: 23.8; elderly dependency ratio: 17.7;) Montenegro has a younger population than most of the countries in the region.

However, this structure seems less favourable when considering that out of 422.900 population between 15-64 years of age, active population consists of 280.000 persons (66,2%), out of which 239.600 are employed (56,6%) and 40.400 persons are unemployed, or 10,4% out of working age population. There is a higher number of active men population than women population: 157.600 men to 122.400 women (56,2% to 43,8%) but the unemployment rate of this active population is higher in men (15,1% men and 13,4% women out of active population) .

The table below shows monthly average household income and consumption in Montenegro:

**Table 4-5 Average income and consumption of households in Montenegro**

| Poverty risk index, % | 2013 | 2014 | 2015 |
|---|---|---|---|
| Total population | 25.2 | 24.1 | 24.4 |
| Total income source | 100,0 | 100,0 | 100,0 |
| Earnings and wages | 58.7 | 63.5 | 48.4 |
| Pensions | 28.3 | 27.4 | 30.3 |
| Social aid | 1.7 | 1.6 | 1.9 |
| Agriculture income | 2.9 | 0.4 | 8.2 |
| Small business income | 3.0 | 3.1 | 2.8 |
| Property income | 1.4 | 1.3 | 1.7 |
| Support and other gains | 2.6 | 1.9 | 4.1 |
| Other | 1.4 | 0.8 | 2.5 |
| | | | |
| Total consumption | 100 | 100 | 100 |
| Consumption from income | 95.9 | 99 | 89.2 |
| Food and beverages | 30.7 | 33.3 | 25.3 |
| Alcohol and tobacco | 3.6 | 3.5 | 3.9 |
| Clothing and footwear | 8.6 | 8.8 | 8 |
| Lodging, water, electricity | 14.4 | 14.6 | 13.8 |
| Furniture, household equipment and maintenance | 3.9 | 4 | 3.6 |
| Health costs | 4.3 | 3.9 | 5 |
| Transport | 10.6 | 10.2 | 11.3 |
| Communication | 5.7 | 5.9 | 5.5 |
| Recreation and culture | 3.4 | 3.8 | 2.7 |

| Poverty risk index, % | 2013 | 2014 | 2015 |
|---|---|---|---|
| Education | 2.5 | 2.4 | 2.6 |
| Restaurants and hotels | 3 | 3.2 | 2.6 |
| Other | 5.2 | 5.3 | 4.9 |
| Consumption from own production | 4.1 | 1 | 10.8 |
| Food and beverages | 3.5 | 0.7 | 9.5 |
| Alcohol | 0.1 | 0 | 0.3 |
| Wood for heating | 0.5 | 0.3 | 1 |

Although it has been shown that Montenegro has a younger population than other countries in the region, pensions still make a significant part of nearly one third of an average household income. The average pensions are significantly lower than wages, reaching an average of monthly 284 Euros. Also, as much as agriculture is less developed in Montenegro, an average income (income + own consumption) deriving from agriculture reaches 17,7%, meaning that Project impact on agriculture land in certain cases can significantly influence household quality of life. The lodging, water and electricity costs are lower, as is the case in many ex-Yugoslavia countries, most households own their own home, and electricity and water prices are socially protected categories. Recreation and culture consumption are low, as is consumption for hotels and restaurants (vacations). Education costs are also low, but that come as a result of a free of charge state school and university system.

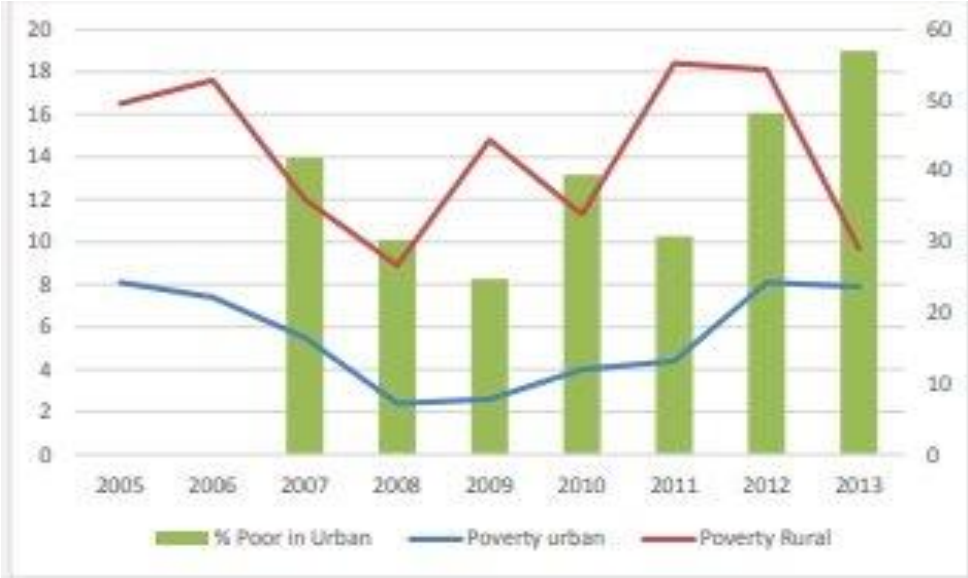
The rate of poverty risk is the proportion of persons (in the total population) whose equivalent income is less than the relative poverty line. The table below shows the rate of poverty risks in recent years in Montenegro.

**Table 4-6 Poverty risk index in certain groups of population**

| Poverty risk index, % | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Total population | 25.2 | 24.1 | 24.4 | 24.0 | 23.6 |
| Men | 24.9 | 24.2 | 24.4 | 24.5 | 24.2 |
| Women | 25.4 | 23.9 | 24.5 | 23.6 | 23.0 |
| Employed | 5.5 | 7.2 | 6.1 | 6.6 | 5.9 |
| Self-employed | 10.9 | 12.1 | 18.9 | 16.0 | 19.8 |
| Unemployed | 49.0 | 43.7 | 44.0 | 42.2 | 44.8 |
| Retired | 12.1 | 12.4 | 14.2 | 16.4 | 14.4 |
| Other inactive persons | 30.0 | 32.0 | 33.4 | 32.9 | 31.0 |
| Severe material deprivation | 12.6 | 13.3 | 14.7 | 14.9 | 13.9 |
| AROPE | 37.3 | 37.5 | 35.9 | 34.6 | 33.6 |

The absolute and relative poverty rate is consistently higher in rural areas relative to urban areas, but the majority of households below the poverty line, as well as those in the bottom 40 percent of poverty risk live in urban areas. The graph below shows absolute poverty rate in urban and rural areas (left axis) and percentage of population below poverty line (right axis).

**Figure 4-4 Poverty in urban and rural areas of Montenegro**




## 4.9 Vulnerable groups

Vulnerable groups refer to people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. The PIU will take necessary actions to ensure that vulnerable groups are not disadvantaged in the resettlement process or when under other impact of the Project, and are fully informed and aware of their rights, and are able to benefit equally from the resettlement opportunities and benefits. Vulnerable individuals must be identified through every step of the process of environmental and social assessment, but in this scoping will consider groups that can be defined as potentially vulnerable by their social status in Montenegro. The census of 2011 has shown that literacy rate in Montenegro reached 98,8% of total population, or 98,5% of all population over 10 years of age. Of 8149 illiterate persons in Montenegro (men 1559, and 6590 women) nearly 60% of them are over 65 years of age (4817 - 403 men and 4414 women, making elderly women illiterate index over 90% of all elderly illiterates). The census shows that 6,1% of all population of Montenegro over 65 years of age are illiterate.

Elderly, retired persons are at rates of poverty risk lower than some other social groups at national level. According to some studies, intergenerational transfers are quite high in Montenegro, where children stay with the elderly in the same household, share the property and income that are accumulated and generated by the older generations. However, due to unfavourable trends in migrations of younger working age population from rural to urban areas, or to other countries, many rural households are left with only elderly people. This trend can be clearly analysed when comparing agricultural households working force. In Montenegro there are 98,949 persons in employed in agriculture, of which there are 98 341 working on household farms, out of which 23,198 persons are aged 65 and over, which makes up 23.58% of the total workforce. For comparison, agricultural households' workforce of persons younger than 24 years of age makes 6,717, or 6,83%. Elderly persons (65+) are also most commonly

heading agricultural households in 33,24% of the cases and mostly of small properties below 2 hectares of available land (only 12,87% of that are women headed households).

- Women and gender issues:

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

**Table 4-7 Employment and activity of men vs. women in Montenegro and Podgorica**

| | **Montenegro** | **Podgorica** | **Montenegro** | **Podgorica** | **Montenegro** | **Podgorica** |
|---|---|---|---|---|---|---|
| | Total in 000 | | Men | | Women | |
| | | | Total in 000 | | Total in 000 | |
| Total population | 618.7 | 184.2 | 306.3 | 90.4 | 312.4 | 93.8 |
| Working age population | 499.8 | 146.3 | 244.5 | 70.7 | 255.4 | 75.6 |
| Labour force | 279.9 | 100.4 | 157.1 | 54.3 | 122.8 | 46.1 |
| Employed | 237.4 | 90.7 | 133.2 | 48.5 | 104.2 | 42.2 |
| Unemployed | 42.5 | 9.7 | 23.9 | 5.8 | 18.5 | 3.9 |
| | % | % | % | | | |
| Activity rate | 56.0 | 68.6 | 64.3 | 76.8 | 48.1 | 61.0 |
| Employment rate | 47.5 | 62.0 | 54.5 | 68.6 | 40.8 | 55.8 |
| Unemployment rate | 15.2 | 9.7 | 15.2 | 10.7 | 15.1 | 8.5 |

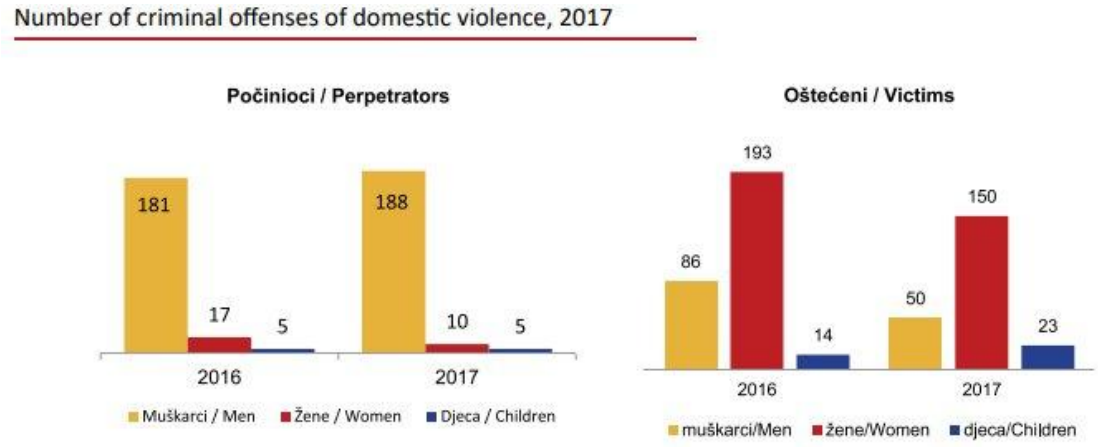
The table shows significantly lower percentage of work activity in female population in Montenegro that can be explained as many women rather "choose" their traditional roles of being stay at home housewives, which is in many cases expected of them, than to pursue careers and look for a job. This trend is less steep in Podgorica area as a more urban environment. In general, the activity of the labour force is higher in urban areas like Podgorica, which can also be seen in the table above.

Women are often less educated than men: there are M:2,5%/W:6,3% with no education (not enrolled or not finished elementary school), only elementary school M:15,6%/W:19,5%, all types of high school education M:64,5%/W:40,7%, higher education M:17,3%/W:20,5% (when a certain point of

emancipation is passed, women tend to be more successful of acquiring highest forms of education than men). Very low number of women are able to reach managerial and senior officials' positions, only 2,9%.

The number of registered criminal acts "domestic violence and family community" in 2017 has increased for (208) in comparison to previous years. Arguable, the reason for this is not that there is in fact more cases of domestic violence, but rather that more of these cases are being reported, which is a positive trend. There has been 1.392 of misdemeanour cases of domestic violence in 2017. In reported cases of domestic violence, most perpetrators are men and most victims are women, as it can be seen in the figure below.

**Figure 4-5 Domestic violence in Montenegro, 2017**




Women are owners of only 4% of houses, 8% of land and 14% weekend houses, as a result of the tradition that men are mostly defined as successors of family property and formal holders of spouse joint property. In entrepreneurship women are represented far less than men, as shown by data that say that only 9.6% of women are registered of business owners, putting Montenegro behind the EU and the countries of the region. Such data also include those women who are only formally declared as owners of the business, while the functions of conducting business and entrepreneurial activity are performed by their relatives men.

*Refugees and "internally displaced persons":*

Most refugees and "internally displaced persons" came in Montenegro during the 1991-99 wars in ex-Yugoslavia countries. Montenegro had to provide shelter for refugees and IDPs, of whom one third (12,130) have found shelter in Podgorica. In 2005, Montenegro accommodated 26,521 refugees and displaced persons. Both categories represented at the time 4.7% of the total Montenegrin population. After many years of residence in Montenegro, the Ministry of Works and Social Care has recently adopted a "National Strategy for Permanent Solution in Favour of Refugees and Internally Displaced Persons in Montenegro". In accordance with the UNHCR position in this regard, this Strategy foresees as possible options for a definitive solution (a) repatriation to the places of origin, (b) local integration, and as a last option (c) resettlement to a third state.

As much as Montenegro is not a country of destination for most of refugees in recent immigration crisis and that there are no refugee camps presently in Montenegro, UNHCR statistics show that there are 9,92 refugees and persons of UNHCR in Montenegro per 1000 inhabitants, meaning 1% of total population.

*Roma And Egyptian population:*

The 2011 census counted 6.251 Roma and 2.054 Egyptians (Askali are presented as Roma in the census), only around 1,5% of total population. However, the available data cannot be considered a accurate statistics to establish the actual number of the Roma population. Their traditional nomadic way of life characterised by a high mobility and frequent changes of their place of residence gives reason to consider the official data with a certain reserve. Thus, the real number of Roma permanently settled in Montenegro is certainly higher than the number officially reported. The presence of Roma in Montenegro was drastically increased after the outbreak of the war in former Yugoslavia. The Roma minority constituted the third largest group with 7.479 persons or 25,7% of all refugees and displaced persons. In reality, this figure is probably even higher, due to the Roma mobility and their attitude to often identify themselves as members of other ethnic groups like Montenegrins, Serbs or Muslims. Some estimation of the number of Roma ethnic group population living in Montenegro indicates that the number of between 12-15.000 would be more accurate, meaning between 2 and 2.5% of total population, or even more: according to the estimation of World Bank the Roma population in Montenegro is closer to 20.000 (3,3% of population).

The highest number of Roma, including suburb Roma settlements are located in major Central region cities Podgorica (50% of all Roma population) and Nikšić. The 2011 census has shown that 4.673 RAE population lives in Podgorica, around 2,5% but as specified it must be presumed that this number is in fact significantly higher. It is not anticipated that this Project would fall disproportionately on members of this distinct ethnic group. However, the SEP Prepared for this Project has identified children in general as potentially vulnerable groups, hence Roma children alike.

An UNDP report from 2009 found that among RAE groups, more than 14 percent of them are socially excluded, measured by the Social Exclusion Index (SEI), which is far more than a national rate of 3.5 percent. The same report states that some 25% of RAE population had an unresolved status in Montenegro and did not have identity documents. So many of them had limited access to public services, and only 18,4% of RAE families received social help or other benefits. About 38% of RAE members owned their homes in 2009, while 50% of them lived in illegally built structures, mostly in suburbs. Just about 20% were employed, while 36% had no education, and 72% were illiterate.

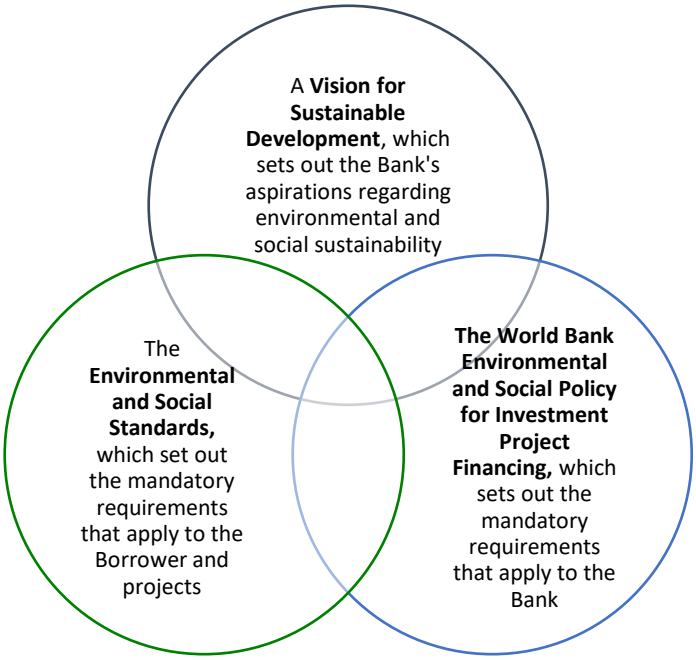
# 5 LEGAL FRAMEWORK

## 5.1 The World Bank Requirements

### 5.1.1 The World Bank Environmental and Social Framework (2016)

#### World Bank Environmental and Social Framework

WB's Environmental and Social Framework (2016)[13] became effective in October 2018. The Framework sets out the Bank's commitment to sustainable development, through a Bank Policy and a set of Environmental and Social Standards that are designed to support Borrowers' projects, with the aim of ending extreme poverty and promoting shared prosperity. The Bank's Framework consists of three parts:




#### Risk Classification

The Bank classifies all projects into one of four classifications:

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

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

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

[13] Available in English at: http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf

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

### Projects involving multiple small subprojects

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

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

(a) High risk subprojects, in accordance with ESSs;

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

To be mentioned that in case of the current project, there are no high-risk projects identified. The current rating of the project is Moderate risk.

### Environmental and Social Standards

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

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

These ESSs are accompanied by non-binding Guidelines, Best Practice Notes, Templates and Checklists[14].

Standards applicable to this Project are described in more details below.

Environmental and Social Standard 1 – Assessment and Management of E&S Risks and Impacts is applied to all projects supported by the Bank through Investment Project Financing. The objective is to identify, evaluate and manage E&S risks and impacts associated with each stage of project, in order to achieve E&S outcomes consistent with Bank requirements.

ESS1 is also applied to all Associated Facilities/Activities which must meet ESSs requirements to the extent that the Borrower has control or influence over such Associated Facilities/Activities.[15]

Within ESS1, the Borrower is obliged to:

- Conduct an E&S assessment of the propose project, including stakeholder engagement,
- Undertake stakeholder engagement and disclose appropriate information in accordance with ESS10,

[14] Available in English at: http://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-framework-resources#guidancenotes

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

- Develop an Environmental and Social Commitment Plan (ESCP) and implement all measures and actions set out in the legal agreement including the ESCP,
- Conduct monitoring and reporting on the environmental and social performance of the project against the ESSs.

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

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

Environmental and Social Standard 2 – Labor and Working Conditions regulates working conditions, and scope of its application depends on type of employment relations between the Borrower and project workers. The term “project worker” is related to:

a) people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers);
b) people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers); (c) people employed or engaged by the Borrower’s primary suppliers (primary supply workers); and (d) people employed or engaged in providing community labor (community workers).

ESS2 objectives are:

- To promote safety and health at work
- To promote the fair treatment, nondiscrimination and equal opportunity of project workers.
- To protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers.
- To prevent the use of all forms of forced labor and child labor
- To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.
- To provide project workers with accessible means to raise workplace concerns.

Environmental and Social Standard 3 - Resource Efficiency and Pollution Prevention and Management sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life cycle consistent with Good International Industrial Practice. Applicability of this EES is established during environmental and social assessment.

The Borrower shall be obliged to apply technically and financially feasible measures to improve efficient consumption of energy, water and raw material, as well as other resources. Such measures shall integrate cleaner production principles into the product design and production processes in order to conserve raw material, energy, water and other resources.

Besides, the Borrower will avoid the release of pollutants or, when avoidance is not feasible, minimize and control the concentration and mass flow of their release using the performance levels and measures specified in national law or the World Bank Group Environmental, Health and Safety Guidelines[16], whichever is most stringent. This applies to the release of pollutants to air, water and land due to routine, non-routine, and accidental circumstances, and with the potential for local, regional, and transboundary impacts.

Pollution prevention and management include management of:

1. Air pollution
2. Hazardous and non-hazardous waste
3. Chemicals and hazardous material
4. Pesticides

Environmental and Social Standard 4 – Community Health and Safety address the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of Borrowers to avoid or minimize such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.

Objectives of ESS4 are the following:

5. To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and non-routine circumstances.
6. To promote quality and safety, and considerations relating to climate change, in the design and construction of infrastructure, including dams.
7. To avoid or minimize community exposure to project-related traffic and road safety risks, dis-eases and hazardous materials.
8. To have in place effective measures to address emergency events.
9. To ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities.

Environmental and Social Standard 5 – Land Acquisition, Restriction on Land Use and Involuntarily Resettlement is applicable to this project. A Resettlement Policy Framework has been developed and any subproject involving land acquisition and involuntary resettlement, regardless of whether physical relocation is present, will develop a Resettlement Plan as per the RPF and this will be approved by the World Bank and disclosed in-country. The screening process will screen for all the subprojects which may involve involuntary land acquisition.

Environmental and Social Standard 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources is applicable to all projects that potentially affect biodiversity or habitats, either positively or negatively, directly or indirectly, or that depend

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

upon biodiversity for their success It is also applied to projects that involve primary production and/or harvesting of living natural resources[17].

The Borrower is obliged to avoid adverse impacts on biodiversity and habitats. When avoidance of adverse impacts is not possible, the Borrower will implement measures to minimize adverse impacts and restore biodiversity in accordance with the mitigation hierarchy provided in ESS1 and with the requirements of this ESS. Where significant risks and adverse impacts on biodiversity have been identified, the Borrower will develop and implement a Biodiversity Management Plan[18].

Environmental and Social Standard 7 – Indigenous Peoples is not applicable to this Project given the fact that in Bosnia and Herzegovina, there are no any social or cultural groups of specific characteristics defined in ESS7.

Environmental and Social Standard 8 – Cultural Heritage sets out general provisions on risks and impacts to cultural heritage from project activities. Objective of ESS 8 are the following:

10. To promote the equitable sharing of benefits from the use of cultural heritage.
11. To address cultural heritage as an integral aspect of sustainable development.
12. To promote meaningful consultation with stakeholders regarding cultural heritage.
13. To protect cultural heritage from the adverse impacts of project activities and support its preservation.

The requirements of this ESS8 will apply to all projects that are likely to have risks or impacts on cultural heritage. This will include a project which:

a) Involves excavations, demolition, movement of earth, flooding or other changes in the physical environment;
b) Is located within a legally protected area or a legally defined buffer zone
c) Is located in, or in the vicinity of, a recognized cultural heritage site
d) Is specifically designed to support the conservation, management and use of cultural heritage.

Environmental and Social Standard 9 – Financial Intermediaries is not applicable to this Project.

Environmental and Social Standard 10 – Stakeholder Engagement and Information Disclosure recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

ESS10 objectives are the following:

14. To establish a systematic approach for stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties
15. To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance.

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

[18] Depending on the nature and the scale of the risks and impacts, to address cultural heritage as an integral aspect of sustainable development the project, the Biodiversity Management Plan may be a stand-alone document or it may be included as part of the Environmental and Social Commitment Plan prepared under ESS1.

16. To promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them
17. To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format.
18. To provide project-affected parties with accessible and inclusive means to raise issues and grievances, and allow Borrowers to respond to and manage such grievances.

## 5.2 Overview of Environmental and Social Requirements in Montenegro

### 5.2.1 Environmental Assessment Procedure

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

- the Law on EIA[19],
- the Decree on Project Subject to Environmental Impact Assessment[20]

The Decree classifies projects into two groups (lists):

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

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

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

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

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

Screening procedure:

1. The investor submits an application to the competent authority to decide on the need for EIA.
2. The competent authority checks whether the prescribed documentation has been submitted. If the documentation is incomplete, it requests additional information from the investor within three days and sets the deadline for their submission. If the applicant fails to submit the additional information, the competent authority refuses the application as incomplete.

[19] Official Gazette of Montenegro, No. 75/18
[20] Official Gazette of Montenegro, No. 20/07 and 47/13

3. The competent authority has to inform the interested authorities, organizations and public of the submitted application within three days from the receipt of a complete application. They can submit their opinions within five days.
4. The competent authority decides on the need for developing an EIA Study within four days from the date of receipt of the opinions of interested parties.
5. The competent authority informs the interested parties on the adopted decision.
6. The adopted decision may be appealed to the Ministry or the Chief Administrator.

Scoping procedure:

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

Review and approval of the EIA Study:

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

### 5.2.2 Waste Management Regulations

The Law *on Waste Management*[21] regulates waste types and classification, planning of waste management, conditions for waste collection, transport, treatment, storage and disposal, rights, duties and responsibilities of legal and physical persons involved in waste management, and conditions and procedures for waste management permits.

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

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

The Rulebook on waste classification and waste catalogue[22] defines waste categories by activities. Some waste categories which may be generated as a result of activities potentially included in this Project are provided below.

*Table8: Waste Generated by the Activities Potentially Included by the Project*

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

### 5.2.3 Construction Regulations

In 2017, a new *Law on Spatial Planning and Construction*[23] was passed. The Law requires urban-technical conditions instead of a construction permit. Also, instead of a use permit, the Law envisages the merging of technical inspection and professional supervision, which relieves the system of double controls. A construction permit and use permit are only needed for complex engineering facilities.

The Law requires from contractors to have a specific set of documents on construction sites, including a Construction Site Organization Plan.

### 5.2.4 Regulations on Working Conditions

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

| Montenegro | |
|---|---|
| Labor Law[24] | Regulates the rights and obligations of employees under employment contracts, the manner and procedure of their realization, the promotion of employment and the facilitation of flexibility in the labour market, conclusion of employment contract, working hours, salary, work contract termination, right and obligations under employment contracts and collective bargaining. The Law, inter alia, treats working hours, breaks and leave, general protection of workers, salaries, allowances and other receipts. |
| Law on Safety and Health at Work[25] | Regulates measures to encourage improvements of occupational safety and health, measures related to working conditions and measures related to special protection of workers, rights, obligations and |

[21] Official Gazette of Montenegro, No64/11and 39/16
[22] Official Gazette of Montenegro, No. 059/13 and 083/16
[23] Official Gazette of Montenegro No. 064/17, 044/18, 063/18
[24] Official Gazette of Montenegro, No. 074/19
[25] Official Gazette of Montenegro, No. 34/14, 44/18

| | |
|---|---|
| | responsibilities of organization, employer and worker, records, inspection surveillance and penalty provisions. |

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

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

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

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

Although the law provides for OHS representatives and OHS boards and allows employees and their representatives to give suggestions and information, initiate measures and demand inspection, the Law does not require a balanced representation of women on OHS committees to help design policies responding to the needs of female project workers. Regarding occupational health and safety trainings employers are obliged to train employees in safe work in accordance with the law. The cost of trainings is covered by the employers. The trainings should be organized during working hours if they are related to OHS or upskilling; however, there is no requirement for employers to keep training records. Neither the Labor Law nor the Law on Safety at Work addresses contractors' OHS responsibility. However, employers are under the obligation to ensure that the planning and introduction of new technologies is the subject of consultations with the employees or their representatives in charge of health and safety at work (hereinafter referred to as the employees' representatives) about the choice of work equipment, the working conditions, the working environment and their implications for health and safety at work. Finally, in the event of a serious and imminent threat to life and health, employees may take appropriate measures in accordance with their knowledge and technical means at their disposal. In case of an unavoidable danger, they are entitled to leave the dangerous workplace, work processes or work environment and will not be held liable for any damage that may occur, unless they had acted in a careless or negligent way. Prohibition of retaliation is not explicitly mentioned neither in the LL not in the OHS.

## 5.3 Rail Level Crossing Regulatory Framework

In Montenegro, the Law on Railways regulates the RLC. Articles 44 to 51. Provide guidance on conditions and standards in case RLC are to be replaced by an underpass or an overpass or if a railway crossing is to be eliminated due to road routing including the responsibility for costs. Cost of such changes made to the infrastructure and road shall be covered by: 1) Infrastructure manager, if the change results mainly from railway traffic needs; 2) Road manager, if such change results mainly from road traffic needs, and in the case of an unclassified road used mainly by a specific entity, the costs of any change on infrastructure and road shall be completely covered by such entity." Regarding the cost of maintenance, the costs of maintaining a railway crossing and costs of ensuring safe and unobstructed traffic at a railway crossing are covered by: 1) The infrastructure manager, for maintaining the track and other parts of infrastructure on a railway crossing, signaling equipment and signs that alert train crews about the crossing, railway telephone lines with the road crossing; 2) The road manager, for maintaining road surface at a railway crossing and road signs that alert drivers about the railway crossing; 3) The infrastructure manager and road manager, in equal parts, for: - Maintaining instruments for signaling drivers of trains approaching a railway crossing and equipment for closing the traffic at a railway crossing.

# 6 INSTITUTIONAL STRUCTURE

## 6.1 Institutions Relevant for Environmental Protection

The key government institutions in charge of environmental protection in Montenegro are the Ministry of Sustainable Development and Tourism, and Nature and Environmental Protection Agency of Montenegro. Table 9 provides an overview of institutions and their responsibilities relevant for this Project.

*Table 9: Institutions Relevant for Environmental Protection in Montenegro*

| Institution | Responsibilities |
|---|---|
| Ministry of Sustainable Development and Tourism | Responsible for:<br>• policymaking for urban planning, construction, environment and sustainable development<br>• implementation of sustainable development programs and projects,<br>• provision of technical, organizational and administrative support to the National Council for Sustainable Development and Climate Change,<br>• spatial and environmental strategic planning, system of integrated environmental protection and sustainable utilization of natural resources, integrated pollution prevention and control,<br>• organization of communal services, including water supply and sewerage, and wastewater treatment,<br>• developing environmental protection standards, monitoring environmental conditions,<br>• cooperation with international financial institutions and EU funds in environmental protection and utility services projects,<br>• cooperation with NGOs, harmonization of regulations with EU *acquis*,<br>• issuing construction permits. |
| Nature and Environmental Protection Agency[26] | Responsible for:<br>• implementation of strategies, programs, laws and regulations in the field of environment,<br>• implementation of international treaties within its jurisdiction,<br>• monitoring the state of the environment and nature conservation,<br>• collecting and updating data on the quality of all segments of the environment, including waters and reporting to national and European institutions,<br>• EIA process and issuance of environmental permits. |
| Ministry of Interior (through the Emergency Directorate) | Responsible for:<br>• establishing programs for equipping and developing protection and rescue systems,<br>• providing guidance on protection and rescue management and proposing measures to protection and rescue participants,<br>• collecting information on threats, causes and consequences of emergencies,<br>• providing assistance in emergency response,<br>• emergency management according to the Flood Directive 2007/60/EC. |
| Institute for Public Health (Ministry of Health) | Performs physical and chemical analyzes of water and microbiological testing of drinking water, and is responsible for controlling and monitoring the safety of drinking water. |
| Ministry of Transport and Maritime Affairs | Responsible for transport (road, rail, air) and maritime affairs in Montenegro. |
| Institute for Hydrometeorology and Seismology | Responsible for monitoring the quality and quantity of surface and groundwater, flood forecasting and monitoring of the hydrological situation, giving warnings to institutions responsible for managing flood risks. |

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

# 7 ENVIRONMENTAL AND SOCIAL ASSESSMENT OF THE PROJECT

## 7.1 ESSs Relevant to the Project

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

*Table 10: ESSs considered relevant for the TTFP project at the time of the Project appraisal*

| ESS | | Relevance to the TTFP |
|---|---|---|
| ESS1 | Assessment and Management of E&S Risks and Impacts | These standard guides the preparation of E&S instruments including those that have been prepared for TTFP: (i) ESMF, (ii) SEP, (iii) LMP and appropriate risk assessment for individual activities implemented under the project. |
| ESS2 | Labor and Working Conditions | These standard guides the creation of sound worker-management relationships. The primary labor risk is the risk of informal work. The risks of unpaid and underpaid work, work overload, poor terms and conditions of engagement, lack of occupational health and safety measures, and denied access to social security, pension or health insurance are associated with informal work. Labor Screening and Compliance Checklist, and Monitoring and Evaluation procedures have been developed to be included as mandatory in the tender documentation providing compliance of third parties i.e. different contractors to the ESS2 requirements. |
| ESS3 | Resource Efficiency and Pollution Prevention and Management | This standard sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life cycle. Considering that most of the activities involve construction works, the major risk is that Contractors will not be aware of best practices to avoid or minimize pollution from project activities or avoid or minimize adverse impacts on human health and the environment. The site-specific ESMP will guide contractors to implement adequate pollution prevention and management measures. |
| ESS4 | Community Health and Safety | This ESS sets out the requirements to avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials and to have in place effective measure to address emergency events. The works anticipated in this project will be carried out mostly in remote or publicly restricted areas and will not employ use or generation of hazardous substances and waste. The main risk associated with the project is related to workers health and safety that is addressed by ESS2. |
| ESS5 | Land Acquisition, Restrictions on Land Use and Involuntary Resettlement | This ESS guides the procedures to avoid or implement involuntary resettlement and economic displacement with least possible impacts. The TTFP involves the possibility of land acquisition and economic displacement. To minimize the risk, an appropriate RPF has been developed at the project level, while a site-specific RAP will be developed where needed. The main risk is associated with appropriate implementation of the RPF. |
| ESS6 | Biodiversity Conservation and Sustainable Management of Living Natural Resources | Not relevant, as Works will be done in areas with no protected areas (BCP and railway crossings) |
| ESS8 | Cultural Heritage | Information that are available in the project appraisal phase indicate that it is very unlikely that there will be any interaction of construction works with known cultural heritage sites. In the event of chance finds, the Borrower will deal with it taking into account national legal requirements that are fully consistent with UNESCO and good international practice. |
| ESS10 | Stakeholder Engagement and Information Disclosure | This ESS guides the inclusion of relevant stakeholders in the project lifecycle. In line with the requirements of this ESS, a Stakeholder Engagement Plan including a Grievance Mechanism has been developed for this project. The main risk is associated with appropriate implementation of SEP. |

## 7.2 Preliminary Identification of Potential E&S Impacts with Proposed Mitigation Measures

The proposed TTFP components and sub-components that will be implemented in Phase 2 of the TTFP in MNE are briefly described in the table below.

*Table 11: Description of project components with potential E&S impacts*

| Component | Sub-component | Sub-component description |
|---|---|---|
| Component 1:<br>Facilitating movement of goods across the Western Balkans | Sub-component 1.2 Improvements at Border Crossings Points on Selected Trade Corridors | This will support upgrading of road border crossing Bozaj-Hani Hotit. The project also supports the integration of information flows among border agencies and harmonization of their operational procedures, such as opening hours and shift changes. |
| Component 2:<br>Enhancing transport efficiency and predictability | Sub-component 2.2:<br>The improvement of selected Railway Level Crossings (RLC) on the rail network in Montenegro | The project will finance the improvement of five Railway Level Crossings on the indicative extension of the Orient/East-Med Core Network Corridor in Montenegro (section Podgorica – Bar). |

**Sub-component 1.2 is** expected to have negative E&S impacts in construction phase.

*In the construction phase,* E&S impacts are the direct consequence of human presence and construction works at locations, such as rehabilitation and extension of the existing construction at Border crossing points. Pollution that occurs in the phase of (re)construction, rehabilitation and/or repair is local, temporary in scope and limited in intensity. It is not expected a significant impact on the environment and local population. The breach of nationally allowed concentrations of pollutants into the air, soil or water are not expected as the Works will be implemented with best practices and in accordance with legislative requirements, adjoined with the defined mitigation measures prescribed (where needed) by the ESMP/EIA to be developed for each subproject prior to its implementation. The implementation of the ESMP will minimize and prevent the identified negative impacts, through a set of specific environmental mitigation and monitoring requirements to be followed by the contractor and/or responsible parties (during implementation and operation).

**Subcomponent 2.2** is expected to have negative E&S impacts in the pre-construction and construction phase

*In the pre-construction phase,* land acquisition impacts might be an issue for some of the projects, although it is expected that land in the immediate vicinity of railway is public property.

*In the construction phase,* E&S impacts are the direct consequence of human presence and construction works at locations, such as works for the railway level crossings. Pollution that occurs in the phase of construction, rehabilitation and/or repair is local, temporary in scope and limited in intensity, although it can cause consequences if breakdowns occur. However, a significant impact on the environment and local population is not expected. The breach of nationally allowed concentrations of pollutants into the air, soil or water are not expected as the works will be implemented with best practices and in accordance with legislative requirements, adjoined with the defined mitigation measures prescribed (where needed) by the ESMP/EIA to be developed for each subproject prior to its implementation. The implementation of the ESMP will minimize and prevent the identified negative impacts, through a set of specific environmental mitigation and monitoring requirements to be followed by the contractor and/or responsible parties (during implementation and operation).

An overview of **initial E&S assessment of sub-component 1.2 and 2.2** with preliminary mitigation measures and monitoring requirements is presented in Table 12. The initial assessment is given at a general ("generic") level and based on the level of subproject information known at the time of preparation of this document – November 2022.

The table also provides a preliminary risk assessment for each sub-component based on two factors:

Likelihood – how likely is the negative impact: low, moderate, high.
Magnitude of consequences (harmfulness) – how much damage can occur if the negative impact occurs: minor, moderate, major.

The following matrix is used to assess risk level:

| Likelihood | Magnitude of consequence | | |
|---|---|---|---|
| | Minor | Moderate | Major |
| Low | **Low risk** | **Low risk** | **Moderate risk** |
| Moderate | **Low risk** | **Moderate risk** | **High risk** |
| High | **Moderate risk** | **High risk** | **High risk** |

A generic ESMP has been prepared for the purpose of this project and is provided in Annex B to this ESMF. The generic ESMP provides mitigation measures and monitoring structure for construction works. In addition, legislative requirements on the need for an environmental impact assessment of project encompassing works and/or environmental analyses must be respected (relevant opinion on the need for undertaking an EIA shall be sought, where applicable and needed), as well as relevant permits obtained.

*Table 12: Preliminary identification of environmental and social impacts of proposed sub-projects*

| | | |
|---|---|---|
| COMPONENT 1**:** Facilitating movement of goods across the Western Balkans / Sub-component 1.2 Improvements at Border Crossings Points on Selected Trade Corridors | | |
| COMPONENT 2: Enhancing transport efficiency and predictability / Sub-component 2.2: The improvement of selected Railway Level Crossings (RLC) on the rail network in Montenegro | | |
| DESCRIPTION OF ACTIVITIES | PRELIMINARY ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT | MITIGATION MEASURES AND MONITORING |
| Construction activities in order to the project will finance selected priority investments in line with the project development objective including any further studies that may be needed. | **Impacts:** *In the pre-construction phase*, the identified social impact are related to possible acquisition of land at the locations of the works in case of railway level crossings.<br><br>*In the construction phase*, the social impacts are mainly related to community health and safety during construction; minor negative impacts could be expected through human presence and nature of construction works at the site, which are limited to the location of works or its surrounding vicinity. A large influx of workers from outside communities is not expected. Analyses to be performed should provide the best available materials for collection and separation of waste; impact of transporting machinery to the site; noise during construction; waste, noise, dirt and dust at the location and the access roads.<br><br>*In the operational phase*, the expected impacts are mainly related to maintenance of these structures (BCP and RLCs).<br><br>**Likelihood:** Moderate<br>**Scope of consequence:** Moderate<br>**ASSESSMENT: MODERATE RISK** | **Mitigation measures:** the prepared generic ESMP provides general mitigation measures and monitoring structure for construction works, and/or analyses that might take place within the projects' implementation.<br><br>Safety procedures must be observed by contractors during the construction work and removal of structures; construction best practices for waste management and disposal, equipment maintained during construction, materials used, attested transportation vehicles; the noise level will be controlled at all times and the activities will be controlled to avoid excessive disturbance as set out in the generic ESMP.<br><br>As part of the due diligence of applying the ESMP, land ownership titles will be verified. In the event that any private land rights are identified, they will be compensated as appropriate under the RPF, with due consideration to the legacy of use. A project-specific action plan for resettlement will be prepared to mitigate this impact.<br><br>**Monitoring:** by the implementing agency |

## 7.3 Environmental and Social Requirements

Since TTFP involves a set of subprojects to be identified, prepared and implemented during the project, pursuant to the WB E&S requirements described in ESS 1 – Assessment and Management of E&S Risks and Impacts, the PIU will assess the E&S impacts of each sub-component and related subprojects using this ESMF.

For each individual subproject, the PIU will prepare an ESIA or ESMP using guidance provided in this ESMF. The selection of the E&S instrument will be based on the screening process and the determined subproject E&S risk as follows:

for "substantial" risk subprojects, an ESIA will be prepared in accordance with this ESMF and provisions set forth under ESS1 and the ESF,
for "moderate" and "low" risk subprojects, an assessment will be carried out in line with national environmental requirements and will include the preparation of a site-specific ESMP in line with this ESMF.

The preliminary E&S assessment presented in Table 12 indicates that, for now, none of the project activities are assessed to be of high or Substantial risk.

## 7.4 Environmental and Social Screening Process (Step-by-Step)

For projects involving multiple subprojects the World Bank requirements involve mandatory review of adequacy of local environmental and social requirements relevant for the subprojects, as well as assessment of the Borrower's capacity to manage the environmental and social risks and impacts of such subprojects, particularly, Borrower's capacity to (a) perform subprojects screening; (b) ensure necessary specialists for conducting environmental and social assessment; (c) review findings of environmental and social assessment for individual subprojects; (d) implement mitigation measures; and (e) monitor environmental and social impact during project implementation.

The PIU will ensure, that environmental management is an integral part of subproject planning, design, implementation, and operation and maintenance. The PIU will screen, monitor and report on the environmental and social performance, national legislation and ESF compliance under each subproject ensure efficient application of measures as defined in site-specific management instruments including ESMF.

Each subproject and its activities must undergo environmental and social assessment compliant to this ESMF, and consequently the ESF, integrating stakeholder engagement activities including consultation and feedback.

The Environmental and Social assessment will follow the 5 step Process to identify risks associated with specific sub-projects, screen out any high-risk activity, identify potential impacts and define measures aimed to prevent or minimize negative impacts and determine the type of management instrument required to meet the project standards.

For the future implementation of the sub-components and related subprojects, the following steps concerning the E&S assessment process should be undertaken:

### 7.4.1 STEP 1: Subproject screening and risk classification

The Environmental and Social Screening Questionnaire (ESSQ) provided in Annex 03 will be revised for specific projects if needed, and **shall be completed by the PIU supported as needed by the final beneficiaries of certain activities,** as they will likely have possession of or access to the most relevant

information required for adequate screening, under the guidance of the PIUs Environmental and Social Specialists. Once the ESSQ has been satisfactorily completed, **the E&S Screening report will be submitted to the WB together with the proposed decision on the category of the subproject/activity.** The final decision requires endorsement of the World Bank.

The Environmental and Social Screening questionnaires comprises four parts:

(1) **Administrative and institutional data:** includes a narrative part that characterizes the project, including administrative and institutional data, and a brief description of technical contents of the project, as well as the location of the subproject. This part can contain up to two pages of text. Annexes for all additional information can be supplemented if necessary.

(2) **Project eligibility criteria:** includes questions that should assist in determining whether the project in question is eligible for funding.

(3) **Basic information on proposed subproject, and**

(4) **Project information relevant for impacts and risks:** includes a series of questions on potential adverse environmental and social impacts covering all ESS 1-10, with two possible answers: "yes" or "no".

All subprojects likely to have significant, diverse, and/or long-term adverse impacts on human health and natural environment, the magnitude of which is difficult to determine at the subproject identification stage are classified as “High Risk” projects.. The existing EIAs, prepared under national regulation, shall be subject to review both in scope and substance and will be revised if needed should the review shows incompliance to ESF and WB EHSG .

**After reviewing the ESSQ, the screening will result in the project being classified in one of the following categories (this table is to be read in conjunction with Figure X: Sub-Project ESA Flowchart):**

| Category | Risk Level | Decision |
|---|---|---|
| 1 | **Low Risk** project (with negligible environmental and social impacts for which an environmental impact assessment is not necessary) | Eligible for financing. No additional environmental and social assessment necessary. SEP to be implemented. |
| 2 | **Moderate Risk** project (project is expected to be of manageable, easy to envisage, temporary and of local impacts) | Eligible for financing. It is necessary for PIU to develop **Checklist ESMP or ESMP**. Public Consultations are mandatory and SEP to be implemented. |
| 3 | **Substantial Risk** project (with potential and very significant or irrevocable environmental and social impacts, whose size is difficult to determine in the project identification phase) | Eligible for financing. It is necessary for PIU to develop **ESMP** or ESIA (with ESMP) if required. Public Consultations are mandatory. Existing ESIAs will be |

| Category | Risk Level | Decision |
|---|---|---|
| | | reviewed (and revised if needed) for ESF compliance. |
| 4 | **High Risk** project (likely to have highly significant, diverse, and/or long-term adverse impacts on human health and natural environment, the magnitude of which is difficult to determine at the subproject identification stage. These impacts may also affect an area broader than the subproject sites. Measures for mitigating such environmental risks may be complex and costly.<br><br>Specific for this Project, but not limited to, the high-risk activities include:<br>• Construction of substantial new railway lines (new routes);<br>• Construction of small new lines such as bypasses, connections, and similar in sensitive and valuable natural areas, those causing fragmentation of habitats;<br>• Other causing significant adverse impact to sensitive and valuable natural areas. | **Not eligible for financing.** |
| 5 | Ongoing and completed works, including financing of continuation of works | Also, subject to risk rating. Environmental and Social Audit. Subproject's eligibility for financing and risk category depends on Audit results. Identified material gaps can be rectified under the Project financing. |

### 7.4.2 STEP 2: Sub-Project Preparation

The **PIU will prepare necessary documentation for Sub-Project** implementation including, Technical documentation, for the subproject to be financed including the technical description of the subproject, permits and approvals issued by competent bodies related to the implementation of the subproject as well as the time schedule of works.

### 7.4.3 STEP 3: Preparation and Disclosure of ESIA, ESMP and Checklist ESMP

The, ESMP, or the Checklist ESMP (for "Moderate Risk" subprojects) are to be prepared for each individual subproject, prior to bidding procedures, by the PIUs Environmental and Social Specialists, and shall be subject to review and approval of the WB.

The ESIA shall be prepared by external Consultants to be hired under the Project using the sample Terms of Reference for ESIA preparation is enclosed as ANNEX 2 of this ESMF document. The ToR shall be refined in consultation with the WB prior to tendering.

Whether the E&S Audits for ongoing subprojects will be carried out by the E&S Specialists within the PIU or by hired external consultants shall be determined on a case to case basis in consultation with the WB and shall be driven by the complexity of subject assessment. ESIA/ESMP/ESMP Checklist and E&S Audit Reports shall be publicly disclosed and public consultations conducted. The documents shall be disclosed on MOCI websites and websites of local Municipalities. It is the responsibility of PIU to organize disclosure of subject documents, announce calls for public consultations in media and on local municipality level, prepare and perform presentation of the sub-projects and its environmental and social aspects in line with the Project Level SEP. Alongside the documents, an invitation for the public consultation will be published (e-format and printed media) and comments are invited to be submitted electronically and written submission thereof within a clearly defined time period (for a minimum of two weeks). Hard copies shall be made available. By the end of the disclosure period, the public consultation meetings for the ESAs shall be conducted, inviting stakeholders and the general public to proactively participate. The design and organization of the consultation meeting will take into account the COVID19 national and WHO rules and recommendations. The public consultation meeting for ESMP Checklists will be agreed at a later stage with the WB.

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

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

### 7.4.4 STEP 4: Integration of ESMP and Checklist ESMP in tender documents

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

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

### 7.4.5 STEP 5: Implementation, project supervision, monitoring and reporting

Implementation of mitigation measures and environmental and social monitoring is an obligation of the Contractor compliant to ESIA, ESMP and Checklist ESMP. The **Supervision Engineer** (compliant to the Standard conditions of contract (i.e. FIDIC Yellow book and FIDIC Red Book or MDBH Harmonized edition (Pink book) and (ii) the **PIU specialists**), alongside other routine activities, shall supervise the Contractor`s Environmental and Social performance and verify compliance with E&S Instruments. **The**

**overall implementation and compliance responsibilities lie with the MoCI**. The PIU (E&S Specialists) will report on ESA implementation and E&S (ESF, national regulation, and EHSG) compliance to WB in Progress Reports, while sub-project ESAs implementation reporting will be quarterly, unless differently agreed with the WB E&S specialists.

## 7.5 Environmental and Social Audit for activities already commenced

For projects the WB intends to finance as a subsequent phase of works, where construction in previous phases has been completed, an assessment of compliance with the World Bank ESF ESSs, EHS Guidelines (both general and Rail specific) national legislation and good practices will be conducted. **The ToR of the E/S Audit shall be prepared by the PIU and endorsed by the WB**. Subject to approval the Audit may be carried out internally by the PIU/PITs staff or in absence of such agreement the PIU will procure an independent third party. The Audit report shall identify areas of major non-compliance with the ESF requirement, and propose relevant remedial measures, either though developments of remedial management instruments or individual actions. ESIAs prepared for the commenced projects will be reviewed and revised for the part financed by the WB and assess whether the ESIA is compliant to the ESF requirements.

## 7.6 Labor Management

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

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

- **Direct workers** (Ministry staff involved in the project (civil servants) and external consultants for E&S issues, to be hired for Project purposes)
- **Contracted workers** (workers of companies which would provide services under Component1 and 2, such as construction activities).
  Contractors (companies which would provide services) would be required to comply with the current legislation on labor and safety at work and to the requirements prescribed in this Framework.

Pursuant to WB requirements, a Labor Management Procedure has been developed as a separate document. The procedure aims to ensure fair treatment of workers and provision of safe and healthy working conditions.

Contractors' labor management compliance with local legislation requirements related to labor and safety at work would be monitored based as described in *Chapter 7.7 Monitoring and Reporting*. In case any irregularities are identified based on such reports or the project grievance redress mechanism, the PIU would notify the responsible Labor Inspection.

## 7.7 Monitoring and Reporting

The PIU shall monitor the implementation of this Framework, both at overall Program level and individual subproject level. The PIU shall ensure that the requirements of the site-specific ESMPs and environmental permit are included in employer's requirements. Within its usual monitoring activities, it will perform monitoring (including on-site monitoring, as needed) to ensure that Contractors comply with their contractual obligations.

It is the responsibility of the Contractor to ensure the proper execution of works, according to prescribed measures and in line with national and international standards. Therefore, the Contractor should appoint a person responsible for environment protection (B.Sc. environmental engineering) with adequate experience to be responsible for the implementation of all environment protection requirements and ESMP implementation. The appointed person shall ensure compliance with environmental standards and is responsible for environmental protection according to the ESMP, in line with clearly defined tasks and responsibilities, which include, among others: works are executed in line with good construction practices, waste is adequately managed at the construction site, environmental protection issues are communicated with the supervising body and the local community. The works are supervised by the nominated supervising body, which controls that the activities are taken in line with the environmental management plan. Preparation of site-specific ESMPs for priority investments will be undertaken by qualified staff. They will also be responsible for the initial environmental screening documents, checklists and other environmentally related documentation during the Program execution. In each PIU, a dedicated environmental specialist will be in charge of this process, as well as environmental monitoring and reporting. Details of these arrangements will be fully specified in the Project Operational Manual.

Contractors' labor management compliance with local legislation requirements related to labor and safety at work would be monitored based on the basis of Reports on Compliance of Conditions of Work with the ESS 2, which the contractors shall submit to the PIU and Supervision Consultant (external consultant) on a semi-annual basis. The format of the report is provided in LMP's Annex.

The PIU shall establish and maintain records on information and engagement of all stakeholders in accordance with the SEP.

The PIU will report on regular basis to WB on subproject screening, approval and monitoring results.

# 8 PUBLIC CONSULTATION PROCESS

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

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

In line with these requirements, the set of documents that will guide the further E&S due diligence during sub-project implementation based on the 2018 WB E&S Framework including:

- the Environmental and Social Management Framework (ESMF)
- the Environmental and Social Commitment Plan (ESCP)
- the Stakeholder Engagement Plan (SEP)
- the Resettlement Policy Framework (RPF) and
- the Labor Management Plan (LMP)

was disclosed to the public on December 01, 2022 through the website of the Ministry of Capital Investments.

ESF documents (i.e. ESMF, ESCP, LMP, RPF and SEP) The Disclosure Package will be disclosed electronically at the following websites:

- the website of the MOCI (https://www.gov.me/mki)
- the websites of Municipality Bar
- the websites of city of Podgorica
- World Bank`s website
- Through social media campaigns, and will be announced via various media, newspaper and radio at least 2 weeks ahead of the scheduled consultation dates.

Additional efforts will be made to provide the key institutional stakeholders with electronic copies of the documents for review and feedback.

Printed copies will be made available at PIU premises.

During Project Implementation any of the documents disclosed during preparation, if updated shall be re-disclosed and public consultations held.

Site specific management instruments developed to manage environmental and social risk and impacts such as Environmental and Social Management Plans (ESMPs), Resettlement Action Plans (RAP) will be disclosed in the same manner as the ESF package.

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

During the Project development and construction phase, the Social and Environmental specialist will prepare monthly reports on E&S performance for the PIU and the WB which will include an update on implementation of the stakeholder engagement plan Monthly reports will be used to develop quarterly reports. The quarterly reports will be disclosed on the Project website and made available at the level of project.

On December 20, 2023, the Ministry announced that the public hearing took place on December 12 in Municipality of Podgorica

The minutes from the public hearing with an accompanying list of participants and photographs is included in Annex D.

This ESMF has been updated to include the outcomes of the public consultation process.

# ANNEXES

## A. Generic Environmental and Social Management Plan for the Project

| Project Phase / Activities | Possible Environmental Impacts | Mitigating Measures | Monitoring parameters | Responsible Body |
|---|---|---|---|---|
| **Construction phase** | | | | |
| **Mobilization/ Temporary facilities/ Construction/ De-mobilization** | **General Site Conditions and Safety Notifications** | | | |
| | • Notification of public and Overall Site Safety | • The local construction and environment inspectorates and<br>• communities have been notified of upcoming activities<br>• The public has been notified of the works through appropriate<br>• notification in the media and/or at publicly accessible sites (including the site of the works)<br>• All legally required permits have been acquired for construction and/or rehabilitation<br>• The Contractor formally agrees that all work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment.<br>• Workers' personnel protective equipment (PPE) will comply with international good practice (always hardhats, as needed masks and safety glasses, harnesses and safety boots)<br>• Appropriate signposting of the sites will inform workers of key rules and regulations to follow and emergency contact numbers<br>• Provide on-site medical services and supplies for any emergency, through institutional and administrative arrangements with the local health unit | • Keep written proof of notifications, local permits, and/or media announcement, clippings<br>• Supervisor to ensure use of PPE<br>• Supervisor to visually inspect adequate signage | • Site supervisor<br>• PIU<br>• Contractor for execution of civil works |

| Project Phase / Activities | Possible Environmental Impacts | Mitigating Measures | Monitoring parameters | Responsible Body |
|---|---|---|---|---|
| | | • Provide portable water & sanitary facilities for construction workers | | |
| **Mobilization/ Temporary facilities/ Construction/De-mobilization** | **Material supply** | | | |
| | • Indirect impact on environment by purchasing material for unlicensed companies | • Sourcing of materials from authorized and licensed sites | • Insight in contracts with suppliers | • Site supervisor<br>• PIU<br>• Contractor for execution of civil works |
| | • Use of borrow pits for materials | • Borrow pits shall be subject to complete restauration works following closure | • Inspection of borrow pits following closure | • Site supervisor<br>• PIU |
| **Mobilization/ Temporary facilities/ Construction/De-mobilization** | **Traffic and Pedestrian Safety** | | | |
| | • **Increased traffic** due to heavy equipment/vehicle movement/works in vicinity of main/local roads<br>• **Decreased public access** through the construction area | • Schedule vehicle movement during lean daytime traffic hours or at night.<br>• Provide traffic aides/flagmen, traffic signs to help ensure the free and safe flow of traffic<br>• Maintain & Repair temporary alternative route of vehicles & pedestrians<br>• Designate an alternate route for pedestrian and/or vehicles in coordination with the Municipal Authorities or provide safe passageway through the construction site | • Presence of traffic signs<br>• Public complaints received<br>• Occurrence of traffic jams<br>• Public complaints received | • Contractor |
| | **Air Quality – dust and noise suppression** | | | |
| | • **Gas & particulate** emissions from vehicles, equipment & generators | • Regular equipment maintenance<br>• Contractor to present proof of compliance with emission standards as part of the annual vehicle registration process | • Presence of black smoke from construction vehicles<br>• Attestation documentation | • Contractor<br>• _____ |
| | • **Dust suspension** vehicle movement in unpaved roads & construction works | • Wet areas of dust sources to minimize discomfort to nearby residents<br>• Control of vehicle speed to lessen suspension of road dust | • Public complaints received<br>• General observation | • Contractor |

| Project Phase / Activities | Possible Environmental Impacts | Mitigating Measures | Monitoring parameters | Responsible Body |
|---|---|---|---|---|
| **Mobilization/ Temporary facilities/ Construction/De-mobilization** | • **Noise generation** from equipment & operations | • Schedule equipment movement during non-peak hours of daytime vehicular traffic<br>• Avoid night-time construction activities and abide by local<br>• laws on construction hours<br>• Provide silencers/mufflers for<br>• heavy equipment | • Public complaints received<br>• Measure a noise level in case of complaints | • Contractor:<br>• _____ |
| | **Waste and Inert Material Management** | | | |
| | • Environmental pollution caused by improper **waste management** | • Waste collection and disposal pathways and sites will be identified for all major waste types expected from construction activities.<br>• Mineral construction will be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and stored in appropriate containers.<br>• Construction waste will be collected and disposed properly by licensed collectors<br>• No open burning of wastes on or off site | • Visual inspection of separate waste management piles<br>• Written receipts of all separate waste streams handled by the designated authorities<br>• Visual inspection of burn marks on site | • Contractor for execution of civil works<br>• _____ |
| **Mobilization/ Temporary facilities/ Construction/De-mobilization** | **Soil quality – erosion and vegetation cover** | | | |
| | • **Soil erosion and landslides** due to clearing and/or excavation | • Provide slope protection through bank compaction, riprapping on critical sections, or vegetative stabilization<br>• Designate a Spoils Storage Area, with topsoil set aside for later use and allow maximum re-use of spoils<br>• Use material for restoration of degraded areas | • Presence of eroded areas near the site<br>• Signs of a potential/imminent landslide (unstable soil, signs of slippage, etc.) | • Contractor for execution of civil works<br>• _____ |
| | • **Removal of vegetation** | • Do replacement planting that would restore removed vegetation | • Area replanted<br>• Number and type of plants replanted | • Contractor<br>• _____ |

| Project Phase / Activities | Possible Environmental Impacts | Mitigating Measures | Monitoring parameters | Responsible Body |
|---|---|---|---|---|
| | | • Secure: (i) environmental permit, (ii) Urban consent and (iii)Tree cutting consent | | |
| | **Water Quality and Quantity** | | | |
| | • **Increased surface and groundwater turbidity & siltation**, causing inconvenience in community use of the affected surface or ground waters along the path of the irrigation canals | • Set up sediment traps along rivers and/or gabions along banks to filter out eroded sediments<br>• Same measures above for erosion control and slope stabilization | • Complaints received<br>• Visually for presence of turbidity in surface water<br>• Analyze surface water quality in case of complaints (for pH, turbidity, conductivity and suspended solids)<br>• If groundwater is used for drinking water supply, analyze tap water for drinking water<br>• quality parameters as prescribed in<br>• national legislation | • Contractor:<br>• _____ |
| | • **Oil & grease contamination of water bodies** due o for poor equipment M&R & refueling | • Provide oil & grease traps in stilling ponds<br>• Provide ring canals around fueling tanks/motor pool/maintenance areas<br>• Collect used oils in containers and hand over to authorized agency for handling | • Complaints received<br>• Analyze surface water quality in case of complaints (for COD and total mineral oils)<br>• If groundwater is used for drinking water supply, analyze tap water for drinking water quality parameters as prescribed in national legislation<br>• Presence of oil film on water surface | • Contractor:<br>• _____ |
| **Mobilization/ Temporary facilities/ Construction/De-mobilization** | **Cultural Property and Chance Findings** | | | |
| | • **Damage to cultural property** or chance findings which may be traversed reencountered during construction | • Stop the works and observe reporting and conservation protocols based on prior coordination with the responsible agency: Institute for Protection of Cultural & National Heritage | • Approval to continue or other relevant documentation from the nationally competent institution | • Contractor:<br>• _____ |
| **Operation and Maintenance** | | | | |
| **Maintenance** | **Traffic and Pedestrian Safety** | | | |
| | • **Access restrictions** during maintenance | • Introduce appropriate traffic signalization and appropriate warning signs | • Visual inspection of warning signs<br>• Insight in information published | • Contractor:<br>• Owner or flood protection structures |

| Project Phase / Activities | Possible Environmental Impacts | Mitigating Measures | Monitoring parameters | Responsible Body |
|---|---|---|---|---|
| | | • Implementation of SEP, in particular the provisions on providing timely information to citizens through the media about upcoming maintenance, expected duration of the works, alternative routes, etc. | | • _____ |
| **Maintenance** | **Noise suppression** | | | |
| | • **Noise** emission and noise disturbance | • In case of noise complaints by local residents, the reduction of permissible vehicle speed limit should be performed | • Limit noisy activities (e.g. earthmoving, truck unloading, etc.) to the least noise-sensitive times of day and schedule activities to occur at the same time. Machinery should be shut down or throttled down to a minimum when not in use. | • Contractor<br>• _____ |
| **Maintenance** | **Waste management** | | | |
| | • Improper **management of waste** from maintenance activities | • Waste collection and disposal pathways and sites will be identified for all major waste types expected from maintenance activities.<br>• All waste will be collected and disposed properly by licensed collectors<br>• No open burning of wastes/removed vegetation on or off site | • Visual inspection of separate waste management piles<br>• Written receipts of all separate waste streams handled by the designated authorities<br>• Visual inspection of burn marks on site | • Contractor<br>• _____ |

## B. Indicative outline of ESIA

(a) Executive Summary

Concisely discusses significant findings and recommended actions.

(b) Legal and Institutional Framework

Analyzes the legal and institutional framework for the project, within which the environmental and social assessment is carried out, including the issues set out in ESS1, paragraph 26[27].
Compares the Borrower's existing environmental and social framework and the ESSs and identifies the gaps between them.
Identifies and assesses the environmental and social requirements of any co-financiers.

(c) Project Description

Concisely describes the proposed project and its geographic, environmental, social, and temporal context, including any offsite investments that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary suppliers.
Through consideration of the details of the project, indicates the need for any plan to meet the requirements of ESS1 through 10.
Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts.

(d) Baseline Data

Sets out in detail the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures. This should include a discussion of the accuracy, reliability, and sources of the data as well as information about dates surrounding project identification, planning and implementation.
Identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions.
Based on current information, assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences.
Takes into account current and proposed development activities within the project area but not directly connected to the project.

(e) Environmental and Social Risks and Impacts

Takes into account all relevant environmental and social risks and impacts of the project. This will include the environmental and social risks and impacts specifically identified in ESS2–8, and any other environmental and social risks and impacts arising as a consequence of the specific nature and context of the project, including the risks and impacts identified in ESS1, paragraph 28.

(f) Mitigation Measures

Identifies mitigation measures and significant residual negative impacts that cannot be mitigated and, to the extent possible, assesses the acceptability of those residual negative impacts. Identifies differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable.

[27] ESS1, paragraph 26, states that the environmental and social assessment takes into account in an appropriate manner all issues relevant to the project, including: (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the EHSGs, and other relevant GIIP.

Assesses the feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of proposed mitigation measures, and their suitability under local conditions; and the institutional, training, and monitoring requirements for the proposed mitigation measures.
Specifies issues that do not require further attention, providing the basis for this determination.

(g) Analysis of Alternatives

Systematically compares feasible alternatives to the proposed project site, technology, design, and operation—including the "without project" situation—in terms of their potential environmental and social impacts.
Assesses the alternatives' feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of alternative mitigation measures, and their suitability under local conditions; and the institutional, training, and monitoring requirements for the alternative mitigation measures.
For each of the alternatives, quantifies the environmental and social impacts to the extent possible, and attaches economic values where feasible.

(h) Design Measures

Sets out the basis for selecting the particular project design proposed and specifies the applicable EHSGs or if the EHSGs are determined to be inapplicable, justifies recommended emission levels and approaches to pollution prevention and abatement that are consistent with GIIP (if applicable).

(i) Key Measures and Actions for the Environmental and Social Commitment Plan (ESCP)

Summarizes key measures and actions and the timeframe required for the project to meet the requirements of the ESSs. This will be used in developing the Environmental and Social Commitment Plan (ESCP).

(j) Appendices

List of the individuals or organizations that prepared or contributed to the environmental and social assessment.
References—setting out the written materials both published and unpublished, that have been used.
Record of meetings, consultations and surveys with stakeholders, including those with affected people and other interested parties. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected people and other interested parties.
Tables presenting the relevant data referred to or summarized in the main text.
List of associated reports or plans.

## C. Indicative outline of site-specific ESMP

The content of the site-specific ESMP will include the following:

(a) Concisely describes the proposed project and its geographic, environmental, social, and temporal context
(b) Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts.
(c) E&S impacts defined by designer / authorities during project approval
(d) Mitigation

The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse environmental and social impacts to acceptable levels. The plan will include compensatory measures, if applicable. Specifically, the ESMP:

i) identifies and summarizes all anticipated adverse environmental and social impacts (including those involving indigenous people or involuntary resettlement);
ii) describes—with technical details—each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
iii) estimates any potential environmental and social impacts of these measures; and takes into account, and is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, indigenous peoples, or cultural heritage).

(e) Monitoring

The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

(f) Capacity Development and Training

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

(g) Implementation Schedule and Cost Estimates

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

(h) Integration of ESMP with Project

The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP (either stand alone or as incorporated into the ESCP) will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation.

## MITIGATION PLAN TABLE FORMAT

| Phase | Issue | Mitigation measure | Cost of mitigation (If substantial) | Responsibility* | Supervision observation and comments (to be filled out during supervision) |
|---|---|---|---|---|---|
| Preparation phase | | | | | |
| Project Execution / operate | | | | | |
| Post-project phase | | | | | |

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

## MONITORING PLAN TABLE FORMAT

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

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

## D. Social screening form

ANNEX D

| | | |
|---|---|---|
| SOCIAL SCREENING FORM | | |
| PROJECT ELIGIBILITY CRITERIA | | |
| Screening indicators related to Land acquisition, assets and access to resources | | |
| | Are geographical area or population adversely affected by the Project?:<br>H: Large to very large?<br>S: Medium to large?<br>M: Low? Located away from environmentally or socially sensitive areas?<br>L: Minimal or negligible? | If Large the activity is not eligible |
| | Require that land (private) to be acquired (temporarily or permanently) for its development?<br>If yes specify area. | |
| | Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests<br>If yes indicate | |
| | Specify the number of persons affected by economic displacement?<br>(if not known at this stage please provide the best estimate and explain what is the estimation based on) | |
| | Physically displace individuals, families or businesses, Specify the number of persons affected by economic displacement?<br>(if not known at this stage please provide the best estimate and explain what is the estimation based on) | |
| | Result in the temporary or permanent loss of crops, fruit trees or household infrastructure<br>(if not known at this stage please provide the best estimate and explain what is the estimation based on) | |
| | Result in the involuntary restriction of access by people to legally designated parks and protected areas | |

| | | |
|---|---|---|
| | Have negative impact to any vulnerable individuals or groups?<br>(Please specify what the drivers of vulnerability are, how would these be adversely impacted or the vulnerability exacerbated? Specify or estimate the number of persons /groups and their qualifying characteristics. | |
| | Have negative impact to informal side road shops, traders or any nomadic/informal/road shop type of commercial activity. | |
| | Community Health and Safety. Are probability of effects to human health and/or the environment (due to accidents, toxic waste disposal, etc.):<br>H: High?<br>S: Medium to low?<br>M: Low?<br>L: Minimal or negligible? | |
| | Scale of risks and impacts. Are geographical area or population affected by the Project?:<br>H: Large to very large<br>S: Medium to large<br>M: Low<br>L: Minimal or negligible | |

| Form checked by<br>(PIU Environmental and Social Specialist)<br><br>Project category is: H____,S____, M___L | |
|---|---|
| Date | |
| Name | |
| Title | |
| Signature | |

| Form checked by<br>(Head of PIU)<br><br>Project category is: H____,S____, M___L | |
|---|---|
| Date | |
| Name | |
| Title | |
| Signature | |

ELIGIBILITY CRITERIA

High-risk projects, as defined in the WB E&S Policies will not be eligible for financing, including:

- Construction of substantial new railway lines (new routes);
- Construction of small new lines such as bypasses, connections, and similar in sensitive and valuable natural areas, those causing fragmentation of habitats;
- Other causing significant adverse impact to sensitive and valuable natural areas.

Table 13: High-risk classification conditions

| Project type, location, sensitivity, scale | Nature & magnitude of ES risks & impacts, available mitigation | Context risk relevant to ES measures |
|---|---|---|
| HIGH RISK | | |
| • complex<br>• large to very large scale<br>• in sensitive location(s) | • wide range of significant adverse risks and impacts<br>• long term, permanent and/or irreversible, impossible to avoid entirely<br>• some cannot be mitigated or require complex, unproven mitigation, sophisticated social analysis<br>• high in magnitude and/or in spatial extent (large to very large area or population);<br>• significant adverse cumulative or transboundary impacts;<br>• high probability of serious adverse effects to human health and/or the environment<br>• high value and sensitivity (eg. protected and internationally recognized areas)<br>• high value, sensitive lands or rights of Indigenous Peoples and other vulnerable minorities<br>• Intensive or complex involuntary resettlement or land acquisition<br>• Impacts on cultural heritage or densely populated urban areas<br>• may give rise to significant social conflict, harm or human security risks | • factors outside project control impacting ES performance and outcomes |

| | | |
|---|---|---|
| | • a history of unrest in area or sector, concerns about use of security forces | |

## E. Minutes from the public consultations

**Venue:** Meeting hall of the Municipality of Podgorica

**Date:** 12 December 2022

**Time:** 13:00 hrs.

**Organizer:** Ministry of Capital Investment, Project Implementation Unit (PIU)

The public consultation meeting for the set of documents that will guide the further E&S due diligence during sub-project implementation based on the 2018 World Bank E&S Framework was organized by the PIU from the Ministry of Capital Investment. The announcement for the review and comments on the set of documents was published at the website of the Ministry, providing relevant information to the public and all interested parties about the location of the document, in both English and local language, as well as the timeframe and the address for submitting official comments, and the time and venue of the public meeting.

The introductory note and welcome speech at the public meeting were given by the representative of the host agency who greeted the Municipality representatives, participants, representatives of the World Bank and the expert working on the mentioned documents. He provided basic information about the World Bank support and guidance in the preparation of the TTFP project, its aims and envisioned results. In addition, three components of the TTFP project and the preparatory work conducted by the expert team in the past period were presented, which resulted in the selection of sub-projects that will be implemented in Montenegro and development of all the key documents essential for the start of the TTFP project implementation. This information served as an introduction for the detailed presentation of the documents.

The Social specialist engaged by the Ministry of Capital investment to work on the documents presented the main scope and results of her work. SS provided relevant background information on the TTFP project and the selected sub-projects that will be implemented in Montenegro and relevant background information on the World Bank requirements. Following the introductory review, SS presented each of the documents listed below:

the Environmental and Social Management Framework (ESMF)
the Environmental and Social Commitment Plan (ESCP)
the Stakeholder Engagement Plan (SEP)
the Resettlement Policy Framework (RPF)
the Labor Management Plan (LMP)

The focus of her presentation was on the results of the E&S assessment of the known projects in Phase 2 of the TTFP and the framework procedures that will guide further implementation of each sub-project in the domains of E&S risk assessment, stakeholder engagement, resettlement, and labour management. The special focus of her presentation was related to the obligations of the PIU and the role of municipalities in this process.

Discussions – resume of discussions

The meeting ended at 14:00.

**Photographs**

+ **List of participants**