

**Montenegro:  
Main Roads Reconstruction  
Project  
M-2 Tivat-Jaz Road Section**

**Stakeholder Engagement  
Plan**

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Prepared for: European Bank of  
Reconstruction and Development

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July 2020

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## List of Acronyms

Acronym	Explanation
<b>EBRD</b>	European Bank of Reconstruction and Development
<b>EIA</b>	Environmental Impact Assessment
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>GRM</b>	Grievance Response Mechanism
<b>NEPA</b>	Nature and Environmental Protection Agency of Montenegro
<b>PAA</b>	Project Affected Area
<b>PAP</b>	Project Affected People / Parties
<b>PRs</b>	EBRD Performance Requirements
<b>REA</b>	Real Estate Administration of Montenegro
<b>SEP</b>	Stakeholder Engagement Plan
<b>SES</b>	Socio-Economic Survey
<b>TA</b>	Transport Administration of Montenegro

### 1 Introduction

#### 1.1 Background

The European Bank of Reconstruction and Development (EBRD) is considering providing finance to the Transport Administration (TA) of Montenegro to finance the rehabilitation and upgrade, and works supervision, of a 16 km section of the M-2 road between Tivat and Jaz in the south west of the country ("the Project").

Given the scale and nature of the Project, EBRD has assigned the Project to Category A under its Environmental and Social Policy 2014. As such a comprehensive Environmental and Social Impact Assessment (ESIA) is required, followed by public disclosure of the ESIA for a minimum of 120 days.

An Environmental Impact Assessment has already been undertaken in accordance with Montenegrin law and guidance (the "national EIA") and submitted to the Montenegrin Nature and Environmental Protection Agency (NEPA). The national EIA was subject to public disclosure and consultation in December 2019, NEPA Commission's first review in early 2020, and subsequent clarifications by the TA. Following a final review NEPA awarded the ecological permit (a precondition for the construction permit) in April 2020.

This SEP describes the engagement activities being undertaken for the Project during planning, construction and operation. It has been prepared alongside the ESIA documentation prepared for the purposes of the Project.

Stakeholder engagement refers to a process of sharing information and knowledge, seeking to understand the concerns of others, and building relationships based on trust and collaboration. It is essential for the successful implementation of the ESIA and the Project itself.

This SEP is designed to meet both Montenegrin national legislative requirements and the EBRD's Performance Requirements (PRs), specifically PR10: Information Disclosure and Stakeholder Engagement (see Section 3).

#### 1.2 SEP Objectives

This SEP has been developed to provide a robust framework for stakeholder engagement throughout the life of the Project that is effective, meaningful, consistent, comprehensive, coordinated and culturally appropriate.

Stakeholder engagement is an ongoing process and this SEP will continue to be updated and adjusted as the Project progresses. Through the implementation of a well-planned stakeholder engagement process, the Project aims to:

- generate a good understanding of the Project amongst stakeholders;
- ensure timely information disclosure and engagement opportunities on an ongoing basis, including for those who may be more sensitive to Project impacts;
- engage with stakeholders regarding the Project's environmental and social risks and impacts; and the proposed measures to mitigate and manage them;
- manage expectations about the Project;

- discuss the grievance process for the Project, identifying the most appropriate mechanisms and providing feedback on issues raised;
- monitor stakeholder engagement activities, responding to feedback and comments; and
- create positive relationships with Project stakeholders.

### COVID-19 Restrictions on Stakeholder Engagement

Restrictions associated with COVID-19 in Montenegro, including social distancing measures, may rule out some traditional stakeholder engagement and consultation approaches, which may exclude some stakeholders such as vulnerable people and/or those without internet and mobile phones. The TA is taking protective measures concerning COVID-19, and as the pandemic evolves is seeking advice from local and international health authorities while implementing stakeholder engagement and consultations required by national laws and EBRD. Relevant sections of this document (namely 5.5 Future Engagement) present alternative engagement measures accounting for Covid-19.

### **1.3 SEP Scope**

This SEP is organised as follows:

- **Section 1:** Introduction;
- **Section 2:** Project description;
- **Section 3:** Legal and policy framework for stakeholder engagement;
- **Section 4:** Stakeholder identification and analysis;
- **Section 5:** Summary of previous stakeholder engagement activities;
- **Section 6:** Grievance mechanism;
- **Section 7:** Monitoring and reporting;
- **Section 8:** Contact Details; and
- **Appendices**
  - **Appendix 1:** Grievance Form
  - **Appendix 2:** Grievance Registry
  - **Appendix 3:** TA grievance mechanism
  - **Appendix 4:** National Regulatory Framework Addressing Stakeholder Engagement Process
  - **Appendix 5:** Minutes of Meeting / Previous Stakeholder Engagement Activities
  - **Appendix 6:** Announcements of the Socio-economic studies, the leaflets shared during the surveys, and photographs showing the locations of the posters

## 2 Project Description

The Project will involve the rehabilitation and expansion of the Tivat to Jaz Main road (the M-2) from approximately 100m before the entrance to Tivat Airport to the end of the existing intersection at Jaz, north of Budva, approximately 16km in length. This will include widening the existing two-lane road to create a four-lane road (two-lanes in each direction) with a 2m wide central reservation, 2m wide sidewalks and a vegetated verge. In addition, seven road bridges, four culverts and one footbridge will be (re) constructed as well as 11 new roundabout junctions. Two existing roundabout junctions will also be reconstructed. The total width of the upgraded road corridor will be around 20 m, but reduced at the bridges. In the section between Tivat airport and Radanovici a section of the road will deviate from the existing road, though this new road section passes through government-owned land (see ESIA for details).

The proposed project route is shown in Figure 1 overleaf.

Construction is expected to begin in 2021 and last approximately 24 months. No construction work are planned to take place during the summer months (June, July, August) to avoid worsening congestion and disruption in the area. Construction works will be carried out between 09.00 – 17.00 (unless by exception) and access to local businesses will be maintained throughout the entire construction period. Construction will take place in 3 phases as shown below:

*Table 1: Construction Phasing Schedule*

<b>Phase 1</b>	Construction of new sections of road, including bridges will take place. Traffic will continue to use the existing road.
<b>Phase 2</b>	Traffic will be switched to the sections of the road that have been completed during Phase 1. Due to the limited size of the carriageway and to minimise disruption, traffic flows will alternate and be signal controlled during this phase. Demolition of the existing road and construction of the remaining sections of the road will take place in parallel.
<b>Phase 3</b>	Installation of curbs, barriers and pedestrian fencing. Installation of the final road surface.

Travelling from **south to north**, the Project can be roughly divided into five sections as follows:

1. The Project starts where the existing road leaves the turn off from Lastva Grbaljska to the beach, and where there are a large number of businesses and houses.
2. It then passes through the settlements of Poljice and Lastva Grbaljska where existing buildings are mainly located on the east side of the road until Lastva Grbaljska where they are built on both sides.
3. Between Lastva Grbaljska and Radanovici the road passes through an area with lower population and building density, and where existing facilities are generally located on the west of the road.
4. It then passes through Radanovići where there are a large number of buildings, mostly businesses but also residential buildings as well as O.Š. Nikola Đurković, the stadium of the football club Grbalj. There is development on both sides of the road.
5. The scheme ends at the entrance to the town of Tivat, just after the turn-off for Tivat Airport. From the roundabout to Kotor, to the end, the road runs alongside the airport. Other than infrastructure associated with the airport itself, there are no buildings along this section.

6. The most densely populated areas in the Project Affected Area (PAA) are Radanovici, Lastva Grbaljska and Kovacko Polje. Private households and businesses are not distributed evenly along the Tivat to Jaz road. The majority of businesses and households are in Radanovici industrial zone.

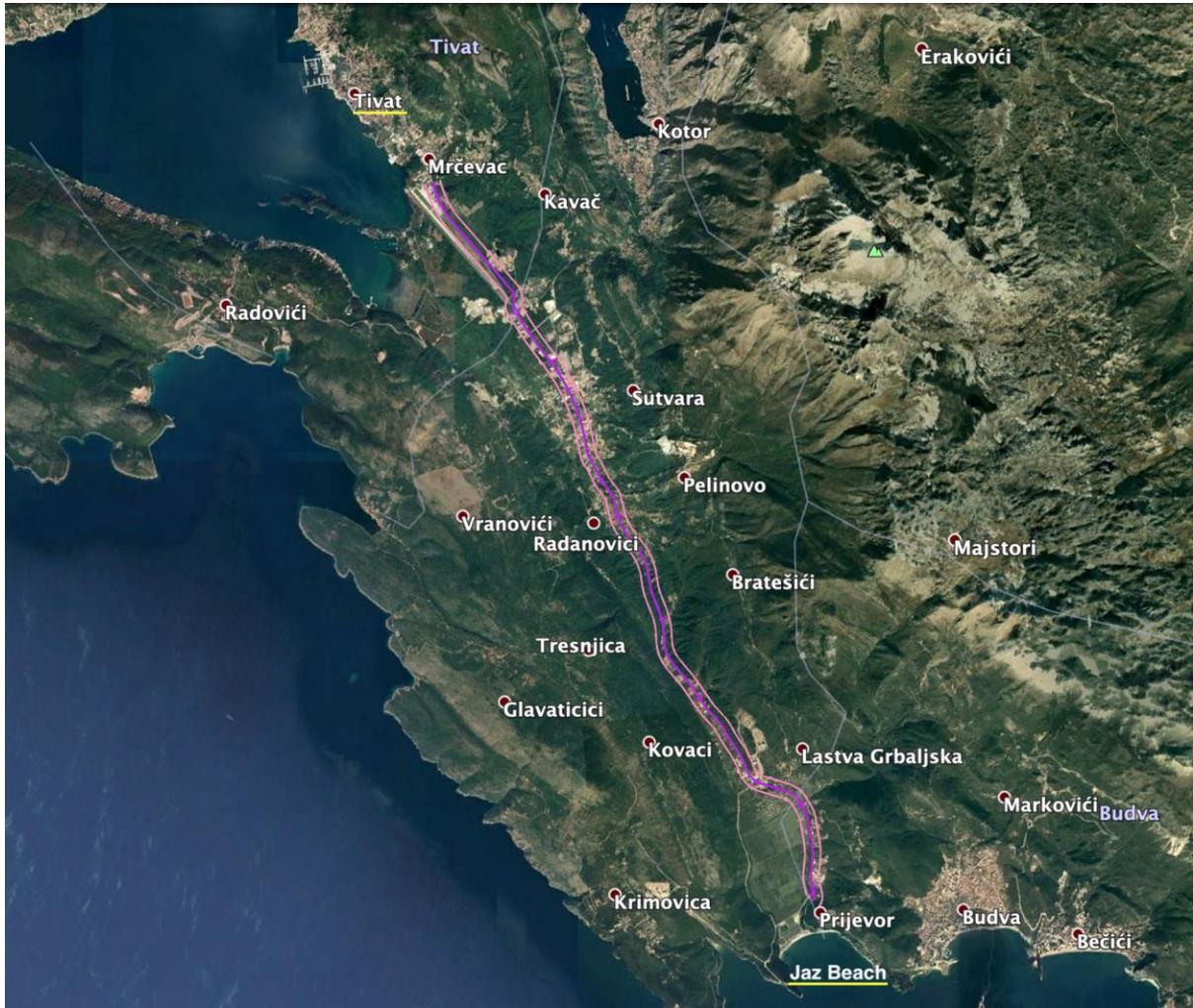


Figure 1: Route of the Proposed Project

### 3 Legal and Policy Framework for Stakeholder Engagement

The Project is being implemented in line with Montenegrin legislative requirements), as well as the EBRD's Performance Requirements.<sup>1</sup>

#### 3.1 National regulatory requirements

Under national legislation, stakeholder engagement is required for the following activities: spatial planning, land expropriation and environmental impact assessments. Additionally, Montenegro has ratified a number of international treaties and conventions; and is in the process of transposing EU law into the national legal and policy framework. The Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (1998) has been integrated into the national legal system since 2009. Public consultation is regulated in Montenegro under the following regulations:

- Constitution of Montenegro<sup>2</sup>
- Law on Environment<sup>3</sup>
- Law on Spatial Planning and Construction<sup>4</sup>
- Law on the Strategic Environmental Impact Assessment (SEIA)<sup>5</sup>
- Law on Free Access to Information<sup>6</sup>
- Law on Expropriation<sup>7</sup>
- Law on the Environmental Impact Assessment (EIA)<sup>8</sup>

The **Law on Environment** states that everyone has the right to be informed about the state of the environment and to participate in the decision-making processes which could have an impact on the environment. Furthermore, Article 11 addresses the process of stakeholder engagement and disclosure, regarding environmental protection issues.

Article 72:

*"Public institutions and administration bodies as well as local authorities responsible for environmental protection are obliged to inform the public about decision-making procedures in environmental matters in a timely manner, namely:*

- 1. strategic assessment of the impact of plans and programs on the environment;*
- 2. assessment of the environmental impact;*

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<sup>1</sup> As detailed in the European Bank for Reconstruction and Development (2019) Environmental and Social Policy (ESP).

<sup>2</sup> Official Gazette of Montenegro No. 001/07, 038/13.

<sup>3</sup> Official Gazette of Montenegro No. 52/16.

<sup>4</sup> Official Gazette of Montenegro No. 064/17, 044/18, 063/18.

<sup>5</sup> Official Gazette of Montenegro No. 80/05, 40/11, 59/11, 52/16.

<sup>6</sup> Official Gazette of Montenegro No. 044/12, 030/17.

<sup>7</sup> Official Gazette of Montenegro No. 55/00, 28/06, 21/08, 30/17, 75/18.

<sup>8</sup> Official Gazette of Montenegro No. 75/18.

3. *the procedure for issuing a permit for integrated pollution prevention and control through the approval of the operation of new or existing plants; and*
4. *strategies, plans, programs and other documents in the field of environmental protection”.*<sup>9</sup>

According to Article 13 of the Law on EIA, the competent authority (NEPA [for national projects] or the municipality's unit) must inform all stakeholders (interested authorities and interested public - including NGOs) about the request to decide on the need for an EIA, within 3 days after the request is submitted by the Project Developer. This notice is published in newspapers and via electronic media for the interested public. Interested authorities and organisations are informed of the notice via mail, e-mail or fax. The notice is also published on the website of the NEPA or municipality unit.

All the aforementioned stakeholders may submit their opinions or comments to the competent authority within 5 days after receiving the notice/ the notice being published in the media.

The competent authority is obliged to consider all opinions and comments when deciding on the need for the EIA. The competent authority must inform all stakeholders about the decision within 3 days, via the same communication channels as above (electronic media, website such as the e-government portal, mail, e-mail or fax), as per Article 14 of the Law on EIA.

All stakeholders may submit an appeal on the decision, to the Ministry of Sustainable Development and Tourism, or to the Main Administrator of the Municipality. In the case of an appeal being accepted, the decision can be changed, or the competent authority must consider the decision again. In the case of an appeal being rejected, the stakeholder may submit an appeal to the Administrative Court. The same appeal procedure applies to the scoping phase of a project and for the approval phase of the EIA study.

The EIA study must be published at least 10 working days before the day of the public debate, as per Article 20 of the Law on EIA. The EIA Study must be published on the website of the competent authority and on the e-Government portal. Explanation: *'Public hearing/ consultation' covers all the following activities: publishing of the notice in the media; sending of the notice by mail, e-mail or fax. Public debate must be organised on a specific day within the period of public hearing/consultation.*

The public hearing/consultation shall be organised and conducted by the competent authority and shall last at least 30 days from the date of notification within the public/media as per Article 20 of the Law on EIA. The meetings are to be announced in electronic media and printed media (newspapers) which must be published in the area(s) that will be affected by the planned project. The EIA Procedure is shown schematically in Figure 2 and complies with the EU EIA Directive (2011/92/EU).

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<sup>9</sup> Law on Environment (Article 72): Official Gazette of Montenegro No. 52/16.  
July 2020

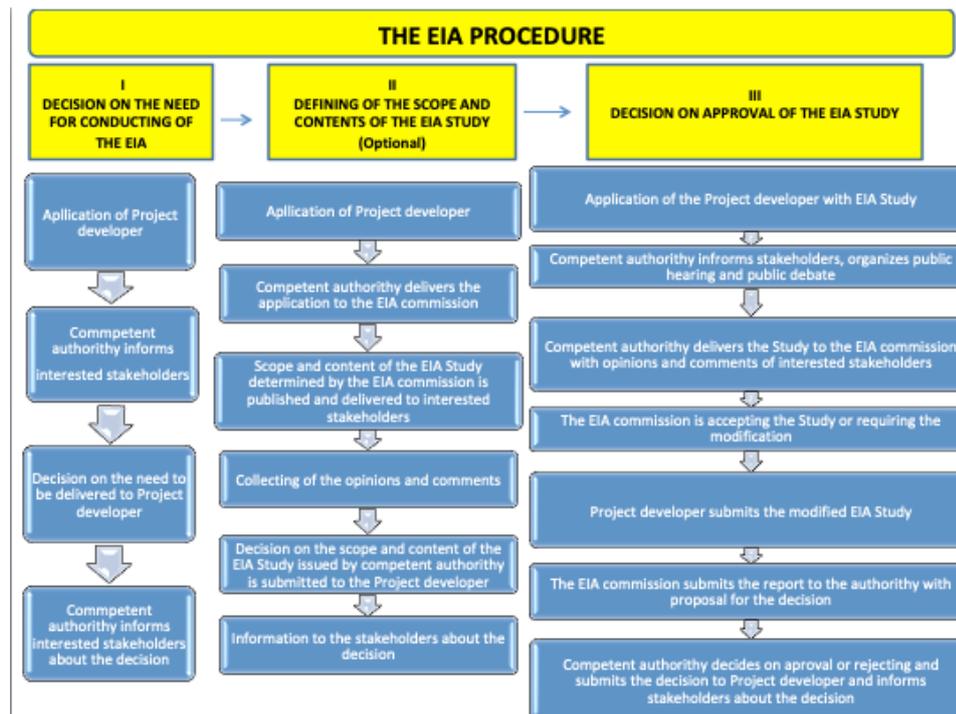


Figure 2: EIA Procedure in Montenegro

The Law on Expropriation describes the process of expropriation. Public interest is established either through a separate law or by a decision made by the government. The proposal for determining public interest, which must include information on: properties that are to be affected; the purpose of expropriation; and other information relevant to the determination of public interest, is submitted by the Project to the Government of Montenegro, through the responsible Administrative Authority (the Real Estate Administration).

After the adoption of the Act on the Determination of Public Interest, the proposal for expropriation is submitted to the responsible Administrative Authority - a unit in the municipality on whose territory the Project requiring expropriation is located.

The proposal for the expropriation of immovable property must contain:

- The name and address of the applicant for expropriation (user of expropriation);
- The immovable property for which expropriation is proposed and the place where such immovable property is located;
- The name of the owner of the immovable property for whom expropriation is proposed and his / her permanent residence or headquarters;
- The purpose for which expropriation is proposed;
- A statement from a cadastre of immovable property and other public records which contain information on property rights and other property data; and
- Proof that, in accordance with the law, the public interest in expropriation was established.

In the expropriation process the responsible Administrative Authority needs to hear from the owner of the immovable property, the facts related to the expropriation, prior to the expropriation decision.

Affected people are also in communication with the Real Estate Administration's Commission for Value Assessment, when their land and assets are being appraised and when an offer for compensation is being made to them.

Other national laws and regulations of relevance to this Project are presented in Appendix 4.

### 3.2 International standards and commitments

The Project has committed to aligning with Good International Practice (GIP) and the EBRD's Environmental and Social Performance Requirements. The specific standard of reference for this SEP is Performance Requirement (PR) 10: Information Disclosure and Stakeholder Engagement. EBRD considers stakeholder engagement as being central to the successful management of risks and impacts on communities affected by project, as well as central to achieving enhanced community benefits.

#### 3.2.1 EBRD PR10

EBRD PR10 outlines a systematic approach to stakeholder engagement that helps clients build and maintain over time a constructive relationship with their stakeholders. The process of stakeholder engagement is expected to start at the very beginning of project planning and continue through project execution. PR10 contains the following key elements:

#### Engagement during project preparation

- *Stakeholder identification and analysis:* A requirement to identify the various individuals or groups who are (i) affected or likely to be affected (directly or indirectly) by the project ("affected parties") or (ii) may have an interest in the project ("other interested parties"). Resources for public information and consultation should focus on affected parties, in the first instance.
- *Stakeholder engagement plan:* A SEP is prepared to outline how communication with identified stakeholders will be handled throughout project preparation and implementation, including the grievance procedure.
- *Information disclosure:* Disclosure of relevant project information is required to help stakeholders understand the risks, impacts and opportunities of the project.
- *Meaningful consultation:* In cases where workers and/or affected communities are, or may be subject to, significant risks or adverse impact from a project, a process of meaningful consultation must be undertaken, in a manner that provides the affected parties with opportunities to express their views on project risks, impacts and mitigation measures and allows the client to consider and respond to them.
- *Disclosure and consultation on Category A projects:* Projects that are categorised as 'A' are to disclose the assessment of environmental and social impacts. Disclosure and consultation requirements are built into each stage of the ESIA process. The ESIA disclosure package for this Project will be disclosed for 120 days, in line with EBRD requirements. The location of these documents will be advertised (and accessible) to affected and interested project stakeholders.

### Engagement during project implementation and external reporting

Ongoing stakeholder engagement is required, commensurate to the nature of the project and its associated environmental and social impacts and the level of public interest. The TA will be required to provide regular reports on its environmental and social performance to its interested and affected stakeholders. These reports need to be in a format accessible to the affected communities and the frequency proportionate to the concerns of those communities, but not less than annually.

In line with the EBRD's Access to Information Policy (AIP) (2019) EBRD is committed to promoting sustainable development in all of its investments, as a key contributor to economic transition. To ensure that the environmental and social practices of Bank Projects meet EBRD standards, the Bank requires that Projects comply with its Environmental and Social Policy. In addition, the Bank is required to disclose certain Project information to the public in accordance with its Access to Information Policy, to enhance transparency and accountability, improve discourse with affected stakeholders, and foster good governance. Furthermore, the Independent Project Accountability Mechanism (IPAM) <https://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-evolution.html> of EBRD further affirms these commitments and has the purpose to facilitate the resolution of social, environmental and public disclosure issues among Project stakeholders; to determine whether the Bank has complied with its ESP and the Project-specific provisions of its AIP. For "Category A" projects, the AIP in addition to the disclosure required of the clients under the ESP, the Bank will make available environmental and social impact assessments on the EBRD website a minimum of 120 calendar days prior to Board consideration for public sector projects.

## 4 Stakeholder Identification and Analysis

### 4.1 Introduction

This section describes the Project stakeholder groups identified to date. Stakeholder engagement is, however, an on-going process and so there will be regular reviews and updates as the Project progresses.

### 4.2 Stakeholder Identification and Analysis

Key objectives of stakeholder identification are to:

1. establish which organisations, groups and individuals may be directly or indirectly affected (positively and/or negatively), or have an interest in, and/or could influence the Project; and
2. understand their needs and expectations for engagement.

The stakeholders identified to date are detailed in Table 2. It has been important to understand their connections to the Project so that engagement can be tailored to their needs and interests. Contact details of these stakeholders are held by the Project, so that they can be readily communicated with.

Table 2: List of identified stakeholder groups

Stakeholder	Role and Connection to the Project
<b>National Government Stakeholders</b>	
Transport Administration of Montenegro (TA)	<p>The Montenegrin Transport Directorate used to be part of the Ministry of Transport and Maritime Affairs. In January 2019, its name was changed to the Transport Administration of Montenegro and it became an independent institution responsible for the maintenance and reconstruction of the road network. The TA is under direct supervision of the Government of Montenegro.</p> <p>The TA is the leading institution responsible for the implementation and supervision of the Project, and has issued traffic-technical conditions for development of the Main Design for the Project.</p> <p>The TA is also responsible for communication with the local municipalities, communities and businesses during Project design and construction, public consultation meetings related to environmental and social aspects; coordination with the Contractor and supervision of the engineer during construction period.</p>
Ministry of Transport and Maritime Affairs (MTMA)	Responsible for transport (road, rail, air) and maritime affairs within Montenegro. MTMA is a leading public institution and responsible for the national road upgrades in Montenegro and the TA is the department responsible for its implementation.
Ministry of Sustainable Development and Tourism (MSDT)	Responsible for urban planning, construction and environmental aspects of project development. MSDT is the agency responsible for providing construction permits on the request of the TA and for monitoring the Project's compliance with these permits through their Construction inspection.
Nature and Environmental Protection Agency (NEPA)	NEPA has overall responsibility related to the EIA process in accordance with the national legislation. NEPA reviews the Environmental Impact Assessment (EIA) reports, organises public consultation meetings, and approves and issues the environmental permits.
Administration for Inspection Affairs (AIA)	AIA is responsible for monitoring the Project's compliance with national environmental legislation. AIA is engaged during the Project construction works, and controls implementation of e.g. environmental inspections.
Real Estate Administration of Montenegro (REA)	Executing agency for the expropriation process, which is implemented in accordance with the national Law on expropriation and the TA's Expropriation Plan. The process includes public consultation meetings with the stakeholders whose land/objects will be subject to land acquisition as per the Project's requirements.
Ministry of Finance	Securing funds for land acquisition. Responsible authority for matters related to land ownership and corresponding compensation which is defined in the process of land expropriation. Its competency in this process is related to the right of owners of expropriated land to file complaints to the Ministry of Finance against the decision on expropriation and the defined amount of compensation. In case the owners do not accept the decision of the Ministry of Finance, they have the right to initiating legal procedure in the competent courts in Montenegro.
Water Directorate	The competent authority for the water permitting process (issuing water use requirements, water use approval, and water use permit), including before the

	construction of new (and reconstruction of existing) facilities and other works for which water conditions are required.
Regional Water Supply Company (RWSC)	<p>The RWSC is separate company in charge for the regional water supply of the Montenegrin coast and other area, that is addressing capture, treatment, transportation and delivery of drinking water from the water source Bolje Sestre through the Regional Water Supply System of the Montenegrin Coast into the water supply networks of the municipalities of Budva, Tivat, Kotor, Herceg Novi, Bar and Ulcinj. RWSC is a limited liability company which was founded by the Government of Montenegro. Regional water supply is regulated by law (Law on Regional Water Supply of the Montenegrin Coastline, "Official Gazette of the Republic of Montenegro", no. 56/16), whereby the decision on reorganisation of the public enterprise into the limited liability company was determined through the Decision on Establishing the Limited Liability Company "Regional Water Supply Company" (Official Gazette of the Republic of Montenegro, dated 29<sup>th</sup> November 2017)</p> <p>The RWSC is going to install a new regional water supply system along the section from Budva to Tivat, and this design has been aligned with the Main Design for reconstruction of the Tivat-Jaz road. Construction works on these two developments are going to be carried out at the same time.</p>
<b>Local Government Stakeholders</b>	
Municipalities of Budva, Kotor and Tivat	The Project is located within the territories of Budva, Kotor and Tivat municipalities. All three municipalities will be responsible for landscaping along the sections of the route which belong to their respective administrative units.
Water and Sewer Utility Company, Budva, Kotor and Tivat	<p>According to Article 35 of the Law on Roads (paragraph 1, 3, 4, 6) these institutions are responsible for relocating the existing water and sewage installations, into the roadbed and road belt, if required. These companies are under the control of local municipalities.</p> <p>These institutions have informed the Project officially regarding all existing and planned water supply and sewerage pipes and facilities along the road that could be affected during the reconstruction of the road.</p>
Montenegrin electricity distribution system CEDIS	<p>According to the Law on Roads Article 35 (paragraph 1, 3, 4, 6) this institution is responsible for relocating all electrical installations, which are placed in the roadbed and road belt, if required.</p> <p>This institution has informed the Project regarding existing and planned electrical installations along the Road that could be affected during the reconstruction of the road.</p>
Utility Company, Budva, Kotor and Tivat	These companies are responsible for collecting the waste in the Project Affected Area (PAA), and will be continuously informed of Project developments in particular during the construction phase in order to ensure interrupted access for waste collection trucks.
Touristic organisations, Budva, Kotor and Tivat	Given the increasing number of tourists in the area, and the importance of tourism for the livelihoods of the area, these stakeholders will be continuously informed of the Project developments so that tourist operators (including bus companies) can plan alternative routes if needed.
<b>Local Community Stakeholders</b>	

Landowners/land users/business owners affected by land acquisition	These stakeholders will be directly affected by land acquisition required for the Project. The Project will cause both physical and economic displacement of some landowners, land users and business owners.
Representatives of Radanovici, Gornji Grbalj, Savina, Lastva Grbaljska communities	Representatives of these four Local communities have actively communicated with the TA, the Government, local municipalities and EBRD and their requests have been included where practical in the revised version of the Main Design.
Local people who regularly use the road as part of their livelihood activities	Road users may experience restricted access, or congestion during construction. They will also be the beneficiaries of improved access and connectivity during the operation. Travel times are expected to be reduced and the driving conditions safer.
Radanovici primary school and kindergarten Primary school in Lastva Grbaljska (as a unit of Radanovici school) Arcadia Academy in Radanovici	Children travelling to school need to have uninterrupted access and safe conditions for getting to the Radanovici school and kindergarten, to Lastva Grbaljska school and to Arcadia Academy. The Project will seek to keep the school and kindergarten management, and parents and children informed of Project developments.
Local health facilities	The Project needs to keep the local health facilities including Kotor Hospital, Clinic 'Fidami Medica', Polyclinic 'Hippocrat' and Institute for emergency medical service of Montenegro informed of developments so that they can be adequately prepared.
<b>NGOs, Other Organisations and Individuals</b>	
NGOs including, but not limited to: <ul style="list-style-type: none"> <li>• NGO Expeditio (Kotor)</li> <li>• NGO 'Ecological centre Delfin' (Kotor)</li> <li>• NGO 'Our action' (Kotor)</li> <li>• NGO 'Society for development of ecology' (Budva)</li> <li>• NGO 'Green Net' (Budva)</li> <li>• NGO "Green Home"(Podgorica)</li> <li>• NGO "Ozon" (Niksic)</li> <li>• NGO "Association of Egyptians" (working with the Roma population)</li> </ul>	Various NGOs in the area have an interest in issues related to the environment (environmental protection, conservation of natural resources and implementation of the concept of sustainable development).
Project Workers	Project construction workers are going to be considered as part of the occupational health and safety procedures, and will be provided with a separate grievance mechanism developed and communicated by the contractor.
<b>Businesses</b>	
Local companies which are located along the road	Businesses in the PAA are going to require access to their premises during the construction and operation phases. They are expected to experience impacts related to access to their premises, noise, dust, and pollution – all of which are going to have different levels of impact depending on the type of business activities that the companies perform.

Telecommunication companies (Telekom, Mtel, Telenor, Telemach)	According to the Law on Roads Article 35 (paragraph 1, 3, 4, 6) these companies are responsible for relocating all telecommunication installations which are placed in the roadbed and road belt, if required.
<b>Media</b>	
National TV and radio stations, and print media	National media is actively involved in sharing information and updates regarding the Project, e.g. information related to the national EIA public consultation meetings were published in national print media.
Local TV and radio stations, and print media from Budva, Kotor and Tivat	Local media are interested in activities realised as part of this Project which has great local and national importance. They also have a significant role in dissemination of information and disclosure of information to the local population.

### Differentially impacted/ Vulnerable Groups

To ensure that the engagement process is inclusive, it has been important to identify individuals and groups who may find it more difficult to participate and those who may be 'directly and differentially or disproportionately affected by the Project because of their disadvantaged or vulnerable status'. Vulnerability is a pre-existing condition independent of the Project, which is reflected in an individual or groups ability to access socio-economic or environmental resources, or low status in certain socio-economic indicators (health, education, income etc.). Vulnerable individuals and groups are often less able to adapt to socio-economic or bio-physical changes and may find it hard to access benefits from Project-related changes. As vulnerability is not a helpful term in this context, the Project documents have instead used the terms differential impacts, differentially affected group and targeted support.

The Socio-Economic Surveys in the PAA identified the following differentially impacted groups and individuals that may require targeted support due to access, educational language barriers, cultural or other requirements.

- Households receiving social transfers from the government (5%)
- Female headed households (1%)
- Roma households living opposite the airport (2%)
- Households receiving pensions (33%)<sup>10</sup>
- Households with > 7 members (6%)
- Households where the Head of Household did not start secondary school (25%)
- Households which are living in rented houses/apartments (2%) or who live on family-owned land (6%)
- Households with informal housing (1%)<sup>11</sup>

It will be important to ensure that such groups or individuals are afforded the opportunity to engage in discussions about the Project and their interactions with it. The presence and scale of differentially impacted groups will be further determined during the resettlement studies / asset inventory. Differentiated measures may be required so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.

<sup>10</sup> Note: Question addressing main source of income in the household.

<sup>11</sup> Note: Presented data are results from SES that was conducted in February 2020 within 50m from the centre line on either side of the road and among 98 households.

## 5 Summary of Stakeholder Engagement Activities

### 5.1 Introduction

This section describes the modes of engagement identified for use by the Project. It also summarises the stakeholder engagement undertaken to date and that planned during the construction and operation phases of the Project.

### 5.2 Engagement methods and implementation

Table 3: Engagement Methods Used presents the engagement methods used thus far and to be used during Project construction and operation, and details of their implementation to date. Table 4 then provides a chronological summary of stakeholder engagement activities undertaken for the Project to date. The Project commits to using methods that are culturally appropriate for the specific stakeholders being engaged.

Table 3: Engagement Methods Used

Method	Method Description
<b>Meeting type</b>	
One-to-one interviews	Face-to-face or telephone interviews with individuals using a semi structured interview guide. Interviews may be formal or informal. A broad range of topics may be covered.
Key Informant Interview (KII)	Qualitative, in-depth interviews with individuals who are well-informed about a specific topic. Conversations can be formal or informal, often simply using a checklist of points to discuss.
Focus Group Discussions (FGD)	A planned discussion in a small (approx. 4-12 people) group, facilitated by a moderator. Such discussions focus on a topic(s) of specific relevance to the group. Meetings are designed to obtain information about preferences and opinions in a relaxed environment. Participants are actively encouraged to express their opinions.
Community meetings	Public meetings with community members invited to discuss aspects of the Project of relevance to their community. Such meetings are advertised in advance. In general, everyone is offered the opportunity to speak and the meetings cover a broad range of topics.
Questionnaire	A data collection instrument that is usually concise with pre-planned questions designed to yield specific information. Questionnaires are used for surveys and aid with statistical analysis.
<b>Information dissemination</b>	
Website	Websites provide a digital platform to post Project related information. They provide a convenient way to view documents, for those with access to digital resources.
Printed materials	Text summaries and infographics offer a good overview of information to be presented. They can be handed out in meetings, posted/sent out electronically or displayed in public places on notice boards.

Announcements	Announcements are important to inform stakeholders about upcoming meetings or to disclose key project information
<b>Feedback</b>	
Feedback/comment forms	These are typically made available at the end of meetings to allow participants to provide additional comments on the Project or the meeting itself.

Covid-19 social distancing measures imposed by the National Coordination Body may restrict the full implementation of EBRD requirements and hence the TA will provide alternative / additional approaches to stakeholder engagement and consultation during the short term (disclosure period) and long term (post disclosure). See Section 5.5. Future Engagement for details. These measures will be updated and revised as the Covid-19 situation evolves, hence this SEP is a live document.

### 5.3 Stakeholder Engagement to Date

#### Engagement during the Design phase

The TA has been engaged with stakeholders in the Project Affected Area since 2016. The total number of meetings and official communication with representatives of the relevant municipalities, public utility companies, local communities and business entities in the period from 2016 until 2019, i.e. during the design and revision phase is 48. Stakeholder engagement has been ongoing since submission of the planning documentation for development of the Preliminary Design, which was delivered to Municipality Budva in 2016. After finalisation of the Preliminary Design, the TA presented the suggested road layout to all three municipalities during 2016. The initial stage of stakeholder engagement included meeting with representatives of all three municipalities traversed by the road, i.e. Budva, Kotor and Tivat. Additionally, representatives of the Local Community Lastva Grbaljska were officially informed about the stage of development of the Preliminary Design during 2016. The Preliminary Design was submitted to the relevant municipalities in 2017 for the purpose of approval of the road layout.

During 2017, stakeholder engagement included a number of meetings and official communication with representatives of the affected municipalities and local communities, whereby the representatives of the local communities expressed their requests regarding the Preliminary Design and road layout. The requests which were made by the local communities during this phase were shared with representatives of the municipalities, for the purpose of ensuring duly and conformant development and update of the Preliminary Design.

During the stage of development of the Preliminary Design, representatives of the local communities submitted a petition in 2018, through which they expressed disagreement with construction of the Tivat-Jaz Main Road, and requested a number of changes to the Preliminary Design so that the Project itself would allow them to have better and more efficient conditions for their everyday activities. The petition was subsequently submitted to the EBRD, and some of the requests made through the petition were related to reduction of the width of traffic lanes, reduction of the width of the separating island and construction of additional roundabouts. Additionally, the TA received requests for amendments from representatives of business entities in Lastva Grbaljska, who opposed the requests which were defined in the petition signed by the representatives of the local communities. Business entities submitted their requests during 2018, whereby one specific business entity opposed construction of a roundabout at one of the intersections at which the local communities had already requested an additional roundabout through the Petition. The TA provided

official responses to the Petition and all requests made by the local communities and business entities throughout the Design Phase.

Additional stakeholder engagement that was carried out by the TA on an ongoing basis during the Design phase included official communication and meetings with representatives of the public utility companies. These meetings were held for the purpose of aligning the Project Design with all the activities and projects which would be implemented by the public utilities companies in the upcoming period, as well as during the phase of reconstruction and upgrade of the Tivat-Jaz road section, i.e. any projects related to public water supply, public electricity supply, etc. As a result of these meetings, the TA was provided with information about the existing locations and capacities of the public utility companies, such as the current capacities and locations of substations in the Project Affected Area. Considering the fact that this project is going to be implemented along with the project of construction and reconstruction of the Regional Water Supply System, the TA maintained continuous communication and engagement with representatives of the Regional Water Supply Company throughout the Design phase.

The TA as the main Project proponent has met with local community stakeholders throughout this period in order to ensure that community feedback, concerns and suggestions have been noted and taken into account in the finalisation of the design. Engagement during this phase has not been systemically recorded, the methods of communication have been varied (including telephone calls), and the TA continues to meet and hear stakeholder queries and concerns. A selection of key meetings has been included in the Table 4 below, and further details are included in Annex 2 of this SEP provided by the TA.

### **Engagement during the EIA phase**

The EIA process commenced in 2019. Engagement during this phase included four (4) public consultation meetings in Radanovici, and Budva, Kotor and Tivat municipalities in December 2019, where the draft EIA report was disclosed. In addition, there were four (4) public announcements (on the NEPA's website and in the national newspaper) about the process of development of the EIA. These announcements were related to the following stages of development of EIA: 1. Request for development of EIA; 2. Decision on development of EIA; 3. Announcement about completion of the EIA; 4. Announcement about the public consultation meetings for the purpose of presentation of EIA.

### **Engagement during the ESIA Scoping phase**

A team of international consultants was contracted in November 2019 to ensure that the impact assessment process for the Project would follow EBRD Environmental and Social Standards in addition to the Montenegrin national standards in accordance with which the EIA had been completed. The ESIA team visited the PAA 2-6 December 2019, and engaged with representatives of Tivat and Kotor municipalities, and representatives from Radanovici and Lastva Gbraljska communities, in order to ensure that key stakeholders were aware of the parallel EIA and ESIA processes. Budva municipality was also contacted with a request for a meeting, however no response was received.

### **Engagement during the ESIA Study phase**

The EIA and ESIA processes have been undertaken in parallel. The ESIA study phase consisted of 13 meetings with key informants, one focus group discussion with youth from Radanovici school, one community meeting in Radanovici, and one-to-one interviews with 98 households and 72 businesses in the PAA (see Table 4). In addition, ahead of the household and business surveys, the consultants posted information notices in locations in the PAA informing local residents about the Project and

the ESIA process, and sent information notices out by email to all businesses operating in the area. Furthermore, every respondent to the survey questionnaire was given a leaflet explaining the process as reference material to ensure that they were fully informed. The announcements of the studies, the leaflets shared, and photographs showing the locations of the posters are included in the Annexes.

Table 4: Stakeholder Engagement to Date

Date	Stakeholders Present (category and numbers)	Purpose of Meeting
<b>Design phase</b>		
29 March 2016	Nikola Arnaut, Transport Administration Representative of the Municipality Budva	Delivery of planning documentation for preparation of the Preliminary Design to the Municipality of Budva, letter no; 02-2658 / 1, dated 31 <sup>st</sup> March 2016.
10 October 2016	Nikola Arnaut, Transport Administration Representatives of the Local Community Lastva Grbaljska	Delivery of information to the Local Community Lastva Grbaljska no: 02- 9897/1, dated 10 <sup>th</sup> October 2016 regarding the requests made by the Local Community Lastva Grbaljska in respect to the Preliminary Design.
13 October 2016	Nikola Arnaut, Transport Administration Radojica Poleksic, Transport Administration CEO of "SIMM inženjering" – the Designer Representative of "Via projekt" – co-Designer Three representatives of the Municipality Kotor President of the Municipality Kotor Representatives of the local communities from Grbalj	The meeting was held in the premises of the Kotor City Council and it was held for the purpose of presentation of the Preliminary Design.
20 March 2017	Nikola Arnaut, Transport Administration Representative of the Municipality Budva	Submission of the Preliminary Design for approval to the Municipality of Budva, letter no; 02-2707 / 1, dated 20 <sup>th</sup> March 2017.
30 March 2017	Nikola Arnaut, Transport Administration	Delivery of letter No: 02-3160/1, dated 30 <sup>th</sup> March 2017, providing an official positive opinion regarding the Preliminary Design for the Tivat-Jaz road section

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	Representative of the Municipality Kotor	
25 December 2017	Nikola Arnaut, Transport Administration  Council of the Local Community Grbalj	Delivery of Letter No: 02-1587 / 2, dated 22 <sup>nd</sup> February 2018, submitted by the councils of the local communities of Grbalj, who opposed reconstruction of the boulevard and requested amendments of the Preliminary Design in the way that it is more aligned to their living conditions.
09 March 2018	Nikola Arnaut, Transport Administration  Council of the Local Community Grbalj	Delivery of Letter / PETITION No: 02-2093 / 1 dated 09 <sup>th</sup> March 2018, in which the local communities opposed reconstruction of the boulevard and submitted a number of requests for amendment of the Preliminary Design.
05 April 2018	Nikola Arnaut, Transport Administration  Representative of a business entity from the Tivat-Jaz road section	Delivery of Letter No: 02-3105 / 1, dated 5 <sup>th</sup> April 2018, in which the owners of several business premises in Lastva Grbaljska expressed the opinion according to which they are opposing the requests made by in the Petition which was submitted by representatives of the local community Lastva Grbaljska Municipality.
4 July 2018	Nikola Arnaut, Transport Administration	Delivery of the response to the citizens' petition no: 02-2093 / 2 dated 4 <sup>th</sup> July 2018 addressed to all local communities in the Kotor municipality.
16 May 2019	Nikola Arnaut, Transport Administration  Representative of the Regional Water Supply Company	A meeting between representatives of the Regional Water Supply and Transport Administration was organized with the purpose of discussion of construction of a new regional water supply pipeline, which is going to be constructed simultaneously with reconstruction of the boulevard.
19 March 2019	Nikola Arnaut, Transport Administration  Executive Director of the Transport Administration  Chief of Staff to the Prime Minister  Two representatives of the local communities from Grbalj	The meeting was held at the premises of the Government of Montenegro. The main topics of discussion included all outstanding issues that may arise during construction and the potential mitigation measures that should be applied. Representatives of the local communities provided their opinion and suggestions in this regard. It was agreed that a compromise should be reached in the way that it meets requests of the local communities to the highest possible degree.
<b>EIA phase</b>		
23 December 2019	Tivat municipality, 9 community stakeholders present	A team consisting of representatives from the TA, Nature and Environment Protection Agency (NEPA), MEDIX and E3 Consulting met with community stakeholders in Tivat. The purpose of the public consultation meeting was to present the national EIA study, and also to share information with the community members regarding the national EIA process, and the international ESIA process. The

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		meeting gave the community members the opportunity to express their views and concerns related to the Project, and to have these views heard by NEPA, who took these views into account in their comments to the Project proponent as part of the permitting and approval process.
24 December 2019	Budva municipality, 8 community stakeholders present	A team consisting of representatives from the TA, Nature and Environment Protection Agency (NEPA), MEDIX and E3 Consulting met with community stakeholders in Budva. The purpose of the public consultation meeting was to present the national EIA study, and also to share information with the community members regarding the national EIA process, and the international ESIA process. The meeting gave the community members the opportunity to express their views and concerns related to the Project, and to have these views heard by NEPA, who took these views into account in their comments to the Project proponent as part of the permitting and approval process.
26 December 2019	Kotor municipality, 4 community stakeholders present	A team consisting of representatives from the TA, Nature and Environment Protection Agency (NEPA), MEDIX and E3 Consulting met with community stakeholders in Kotor. The purpose of the public consultation meeting was to present the national EIA study, and also to share information with the community members regarding the national EIA process, and the international ESIA process. The meeting gave the community members the opportunity to express their views and concerns related to the Project, and to have these views heard by NEPA, who took these views into account in their comments to the Project proponent as part of the permitting and approval process.
26 December 2019	Radanovici community, 33 community stakeholders present	A team consisting of representatives from the TA, Nature and Environment Protection Agency (NEPA), MEDIX and E3 Consulting met with community stakeholders in Radanovici. The purpose of the public consultation meeting was to present the national EIA study, and also to share information with the community members regarding the national EIA process, and the international ESIA process. The meeting gave the community members the opportunity to express their views and concerns related to the Project, and to have these views heard by NEPA, who took these views into account in their comments to the Project proponent as part of the permitting and approval process.
<b>ESIA Scoping phase</b>		

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4 December 2019	Representatives of the municipalities of Kotor and Tivat	The international ESIA team met with representatives of the municipalities to inform them of the Project, to notify them that the international ESIA process was commencing, and to hear their views, concerns and opinions of the Project. The team also sought together information on any other upcoming projects in the municipalities in order to inform the cumulative impact assessment. Representatives from the TA were also present.
5 December 2019	Representatives of the Radanovici and Lastva Grbaljska communities	The international ESIA team met with representatives of the local communities to inform them of the Project, to notify them that the international ESIA process was commencing, and to hear their views, concerns and opinions of the Project. These meetings were important because these two communities in particular expressed concern regarding the Project during the national EIA phase. Representatives from the TA were also present.
<b>ESIA study phase</b>		
5 – 12 February 2020	Socio-economic surveys with 98 households living in the Project Affected Area	As part of the socio-economic baseline studies, the study team organized interviews with 98 households living within 50m of the centre line of the Tivat-Jaz road (or just outside). The purpose of these meetings was to inform the households of the international ESIA process, to ensure that they were aware of the Project, and gather their views, concerns and feedback on the Project through the filling in of socio-economic survey questionnaires. The data gathered through the questionnaires was also used to inform the socio-economic baseline of the ESIA, and the Land Acquisition and Resettlement Framework (LARF), and to identify any particular groups that might be differentially impacted by the Project.
5 – 12 February 2020	Socio-economic surveys (SES) with 72 businesses operating in the Project Affected Area.	As part of the socio-economic baseline studies, the study team met with representatives from 72 businesses located within 50m of the centre line of the Tivat-Jaz road. The purpose of these meetings was to inform the businesses of the international ESIA process, ensure that they were aware of the Project, and gather their views, concerns and feedback on the Project through the filling in of socio-economic survey questionnaires. The data gathered through the questionnaires was also used to inform the socio-economic baseline of the ESIA, and the LARF.
10 – 21 February 2020	Representatives from 13 different key informants in the area: <ul style="list-style-type: none"> <li>• Elementary School 'Nikola Djurkovic'</li> <li>• Arcadia Academy</li> <li>• Clinic 'Fidami Medica'</li> </ul>	As part of the socio-economic baseline studies, Key Informant Interviews (KIIs) were held with representatives of different institutions in the area including local municipalities, schools, health installations, utility companies and local tourism organisations. The purpose of the meetings was to inform the institutions of the international ESIA

	<ul style="list-style-type: none"> <li>• Polyclinic 'Hippocrat'</li> <li>• Kotor Hospital</li> <li>• Municipality of Kotor</li> <li>• Municipality of Tivat</li> <li>• Utility Company Budva</li> <li>• Utility Company Kotor</li> <li>• Utility Company Tivat</li> <li>• Local Tourism Organisation, Budva</li> <li>• Local Tourism Organisation, Kotor</li> <li>• Local Tourism Organisation, Tivat</li> </ul>	<p>process, ensure that they were aware of the Project, gather their views, concerns and feedback on the Project, and also to supplement data for the ESIA socio-economic baseline gathered through the individual surveys and secondary data research. The meetings were facilitated by a team of local consultants.</p>
21 February 2020	<p>Focus Group Discussions with:</p> <ul style="list-style-type: none"> <li>• Pupils (youth) at Radanovici school</li> </ul>	<p>As part of the socio-economic baseline studies, a Focus Group Discussion (FDG) was held with one smaller selected group of Radanovici school pupils to hear their specific views, concerns and feedback on the Project, and also to supplement data for the ESIA socio-economic baseline gathered through the individual surveys and secondary data research. Additional focus group was organized with children-pupils from the school. The meetings were facilitated by a team of local consultants.</p>
12 February 2020	<p>Community meeting in Radanovici, 9 participants.</p>	<p>As part of the Project's commitment to transparent and open communications with the community, a follow up meeting with Radanovici community was held. The purpose of the meeting was to share the Main design of the road with the community, following requests to do so during the national EIA consultations. The TA sent out invitations to the meeting, and presented the design and project updates to the participants. Consultants who were also at the meeting shared a 2-page summary on the ESIA Scoping report with the participants.</p>

Note: All abovementioned meetings were organized in cooperation with E3 Consulting.

#### 5.4 Outcomes of engagement

During these engagements, the following main concerns and issues were raised (Table 5):

Table 5: Issues raised and TA response

Issue:	TA Response:
<p><b>Design:</b> Local communities have raised concerns related to the Main Design, including issuing a signed petition to the TA. Discussions on the location of roundabouts, underpasses, and crossings for both people and livestock, the central reservation between the lanes, and the local vs national spatial plans, and a request to narrow the road to 3 lanes instead of 4 in certain areas.</p>	<p>The TA and the designer have taken these views into account to the extent possible, and where feasible modified the design to accommodate the community requests. In a meeting with the Radanovici community representatives in February 2020, the TA noted that they would also consult with the Ministry of Agriculture regarding the number of livestock and active farms in the area in terms of finding a solution for livestock crossings.</p>

<p><b>Road safety:</b> Road Safety has also been an important issue, in particular in the vicinity of Radanovici primary school. Consultative meetings with the community, the school leadership, and the children attending the school, have been held to consider mitigating measures for the increase in traffic volume and speed that the Project will likely bring about.</p> <p>Radanovici school are very supportive of an awareness-raising campaign. There is an underpass that was previously very untidy – and the school together with the local Utility company have tidied it up, which has contributed to an increase in the amount of children using it. Radanovici school has two units: in addition to the building in Radanovici itself, there is another in Lastva where there is no underpass, and thus signalisation is very important.</p>	<p>These concerns have been taken into account in the road design, and recommended mitigating measures will also include maximum speed limits, the installation of speed bumps, signalling in the vicinity of the school, and awareness-raising campaigns in the schools.</p>
<p><b>Environmental Concerns:</b> Environmental concerns have included questions related to noise, traffic, wastewater etc. and requests to ensure that the design takes into account the frequency of floods in the area, which was highlighted by key informants from Arcadia Academy, Kotor municipality, and the utility companies from all three PAA municipalities. Kotor municipality requested a specific meeting with the TA related to flooding.</p>	<p>Responses have been sent to letters received from the Arcadia Academy, and M-club d.o.o Budva regarding the flooding issues. Furthermore, the TA has held separate meetings with the owner of the M-club, and with representatives of Kotor municipality (including their water department).</p> <p>It was confirmed that protection measures against flooding were already included in the main design, and a further review of the drainage design will be undertaken prior to the start of construction as part of the ESAP to confirm that risks associated with run off and flooding have been suitably addressed in the final design.</p>
<p><b>Disputes related to land ownership and questions related to land acquisition / expropriation:</b> Concerns related to land ownership and land acquisition/ expropriation have been raised throughout the Project’s design and impact assessment phases. Stakeholders have raised questions related to the spatial plans - specifically regarding the misalignment between the national spatial plan vs the local spatial plan. (Whilst, the main design conforms with the national spatial plan but not with the local spatial plan, Montenegrin legislation states that the national spatial plan takes precedence over the local spatial plan). Stakeholders have also sought reference to Austro-Hungarian maps, and requested information related to compensation.</p>	<p>The TA has noted that the Project will follow EBRD requirements, as well as national legislation. As such complaints related to land ownership and compensation will be directed to official judicial processes.</p>
<p><b>Businesses in the PAA:</b> Businesses along the route are largely concentrated adjacent to the road, and thus many business owners are concerned with loss of access and parking lots as a result of the Project. Frequent and consistent engagement, especially once the expropriation studies are finalised, is required to ensure that any losses are appropriately compensated for in line with PR5.</p>	<p>The TA has noted that access to the new road is planned for all businesses.</p>
<p><b>Tourism organisations in Budva, Kotor and Tivat:</b> Tourism organisations are all very supportive of the Project, noting that the surveys done with tourists in the area have shown that the largest amount of issues and complaints raised by the visitors relate to traffic jams, and the quality of the infrastructure. Not only would an improved road alleviate the issues related to congestion, they would also potentially bring new investment into the area from tourism operators.</p>	<p>The TA has noted full agreement with the comments from the tourist organizations.</p>
<p><b>Health facilities:</b> Health facilities engaged with during the ESIA studies noted that the Project was expected to have a positive impact: not only would the reduction in traffic jams ensure shorter travel times for patients and lessen the time wasted due to patients being late for appointments, an improved quality road would also contribute to reducing the amount of road accidents.</p>	<p>None needed</p>
<p><b>Utility companies in Budva, Kotor and Tivat:</b> Utility companies called for efficient coordination especially during the construction period to ensure access for the waste collection trucks, with continued access to Mozura sanitary landfill being of particular concern. They noted that</p>	<p>The TA has noted that the considerations of these companies have been included in the main design.</p>

there is an increased need for waste collection during the tourist season. All three companies also highlighted flooding as an issue in the area, and noted that the drainage systems should be improved. Lighting poles should be installed as far as possible from the carriage way to minimise their potential damage, and the design should also take into account that there need to be locations for the waste bins.	
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In summary, the TA has sought to be attentive and responsive to all ad hoc communications that have been initiated by individual community members, whether by email, phone or in person. The TA maintains a strong relationship with the local community, and is available to all stakeholders who may wish to raise concerns or questions. The responses by TA to some questions and concerns raised by the public to date have not been formally recorded by the TA- predominantly due to the informal, and ad-hoc nature of current engagement outside of formal public consultations. It should be noted, that where concerns relate specifically to the main design, the TA and the designer have amended the main design where feasible. The following issues have been raised and influenced amendments in the design:

- Reduction of the width of the traffic lanes from 3.5m to 3.25m
- Addition of the roundabout at the location: Čeren
- Addition of the roundabout at the location: Ljiljanici
- Addition of the roundabout at the location: Glavatske kuce
- Additional breaks in the median to allow for u-turns in 2 locations in Radanovici
- Future underpass near the school in Radanovici will be moved towards Budva by some 30 m.

### 5.5 Future Engagement

Future engagement activities, inclusive of potential Covid-19 alternatives are provided in Table 6 below:

*Table 6: Future engagement activities*

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Stakeholders	Activity	Information Materials	Timeframe / Frequency	Responsibility	Alternative approach due to Covid-19
<b>Environmental and Social Impact Assessment Disclosure</b>					
All stakeholders	<p><b>Public disclosure of ESIA</b></p> <p>The main ESIA report and annexes will be published on the websites of EBRD and TA, as well as the Budva, Kotor and Tivat municipalities in Montenegrin (and English) languages (addresses given in Section 8 of this document). A Non-Technical Summary (NTS) will also be available, providing a summary of the key elements of the assessment in non-technical language.</p> <p>Print copies of the full ESIA disclosure package will be available at each of above mentioned locations plus the Radanovici and Lastva Grbjalska community offices (Section 8) for review while electronic copies will also be available there and can be taken away for offsite review.</p> <p>Print copies of the Non-Technical Summary will also be provided at each location.</p> <p>Public announcements will be made in the local media detailing where copies of the ESIA report can be accessed. The times and locations of upcoming consultation meetings will also be detailed.</p>	ESIA Disclosure package	Immediately following the Announcement of Public Interest	TA	The approach remains the same, apart from that public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as possible.

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<p>Settlements most impacted by the project, specifically Radanovici, Prijevor and Lastva Grbaljska. *Additional locations will be added if needed (a maximum of 5 meetings is anticipated).</p>	<p><b>Stakeholder consultation meetings to discuss the ESIA report</b> Stakeholder meetings will be organised in the settlements most impacted by the project to discuss the key E&amp;S issues identified, potential mitigation and management measures, plans for ongoing stakeholder engagement, and proposed grievance mechanism for the project. Information related to the next phase of studies (the census and asset inventory of those households and businesses whose land and/or assets will be impacted by the Project) will also be shared.</p>	<p>ESIA Report (containing a Framework Environmental and Social Management Plan) and Non-Technical Summary (NTS)  Stakeholder Engagement Plan (SEP)  Land Acquisition and Resettlement Framework (LARF)</p>	<p>Within the 120-day ESIA Public Disclosure period</p>	<p>TA</p>	<p>Public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as it is possible to do so in a COVID-safe way. If public meetings are still not allowed by day 60 of the 120-day Public Disclosure period, the alternative approach will include phone or online consultation meetings with local community representatives. Local community representatives will also be encouraged to send written comments and feedback either by email or post.</p>
<p>Radanovici school: Radanovici unit and Lastva unit.</p>	<p><b>Consultation meetings with Radanovici school</b> Meetings will be organized with teachers, parents, school representatives and students of Radanovici school in order to obtain information and input so as to design an efficient and practical road health and safety campaign for the school children. It is envisaged that two meetings will be held: the first meeting will consist of an exchange of ideas and suggestions for mitigation measures, and the aim of the second meeting is to jointly agree upon a road safety campaign.</p>	<p>ESIA Report (containing a Framework Environmental and Social Management Plan) and Non-Technical Summary (NTS)</p>	<p>Within the 120-day ESIA Public Disclosure period – 2 meetings.</p>	<p>TA</p>	<p>Public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as it is possible to do so in a COVID-safe way. If public meetings are still not allowed by day 60 of the 120-day Public Disclosure period, the alternative approach will include online consultation via email. The relevant stakeholders will receive targeted questions that will help achieve the aim in the same manner and quality as would have been the case had meetings been allowed.</p>

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All stakeholders	<b>Implementation of the grievance mechanism</b> All grievances will continue to be recorded in a Grievance Registry and the TA will acknowledge receipt to the grievance originator within 7 calendar days (if not submitted anonymously). (For more information, please see Section 6: Grievance Response Mechanism).	Stakeholder Engagement Plan (SEP)  Land Acquisition and Resettlement Framework (LARF)  Grievance form	Commenced at the start of the official public consultation process, and to be maintained during disclosure, construction and operation phase.	TA	Approach does not require any amendments, as it already includes remote grievance handling methods.
<b>Construction phase engagement</b>					
All stakeholders	<b>Notification on the start of construction works</b> This will happen through the erection of large official billboard(s) announcing the start and end dates of construction.	Notification  Information bulletins	Prior to the commencement of construction works	TA and Contractor	Approach does not require any amendments
Settlements most impacted by the project, specifically Radanovici, Prijedor and Lastva Grbaljska.	<b>Installation of the boxes with the Public Grievance forms for suggestions and complaints</b> Boxes for filing grievances will be installed at visible and clearly marked locations along the construction site in order to enable all relevant stakeholders (local community members and construction workers) to file complaints or make suggestions in writing. The box will be checked on a weekly basis, and the grievances will be delivered to the TA for action.	Grievance form	Prior to the Commencement of construction works	TA and Contractor	Approach already includes remote grievance handling methods for those who wish to avoid paper forms, however, antiseptic hand sanitisers will also be placed next to the Public Grievance boxes.

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<p>Local households and businesses and NGOs impacted by the Project</p>	<p><b>Monthly meetings with project stakeholders</b> The TA has committed to organizing monthly meetings with Project stakeholders, in particular local households and businesses impacted by the Project, and with the addition of relevant NGOs. Information about the timing and location will be posted on the TA website and those of the municipalities of Budva, Kotor and Tivat. Email invitations will also be sent to those stakeholders identified as interested. All meetings will be recorded.</p>	<p>Project updates</p> <p>Provision of information about the construction programme and any access restrictions to local communities</p> <p>Briefing communities about the worker code of conduct and expected behaviours</p> <p>Advertising local job opportunities and other opportunities for local procurement.</p>	<p>Quarterly throughout the construction phase</p>	<p>TA</p>	<p>Public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as it is possible to do so in a COVID-safe way. If public meetings are still not allowed during the construction phase, the alternative approach will include phone or online consultation meetings with the relevant stakeholders.</p>
<p>National, regional and local authorities</p>	<p>Meetings with national, regional and local authorities.</p> <p>Meetings will be held to provide these stakeholders with progress updates and opportunities to ask questions.</p>	<p>Project updates</p>	<p>Continuously throughout construction</p>	<p>TA</p>	<p>Public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as it is possible to do so in a COVID-safe way. If public meetings are still not allowed during the construction phase, the alternative approach will include phone or online consultation meetings with the relevant stakeholders.</p>

## Tranche 3 ESIA Disclosure Package / Stakeholder Engagement Plan

Radanovici school: Radanovici unit and Lastva unit.	<b>Road safety awareness campaign</b> Continued road safety awareness raising program with both units of the Radanovici school.	Project updates  Road safety plan	Continuously throughout construction	TA	Public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as it is possible to do so in a COVID-safe way. If public meetings are still not allowed during the construction phase, the alternative approach will include phone or online consultation meetings with the relevant stakeholders.
<b>Operation phase engagement</b>					
Local households and businesses and NGOs impacted by the Project	<b>Ongoing engagement</b> Meetings will be organised to assess stakeholders' views on the effectiveness of mitigation/enhancement and management measures. The mode and frequency of these meetings is still to be defined. Progress reports will be prepared by the TA, developed and shared with stakeholders. They will summarise Project activities and report on any actions in response to emerging issues or grievances raised	Progress reports including grievance summaries	Continuously throughout operation	TA	Public consultation meetings are on hold due to COVID-19. The TA will continuously monitor the guidance from the Government and Health authorities, and resume meetings as soon as it is possible to do so in a COVID-safe way. If public meetings are still not allowed during the operation phase, the alternative approach will include phone or online consultation meetings with the relevant stakeholders.

### 5.5.1 Environmental and Social Impact Assessment (ESIA) Disclosure

The following documents will be publicly disclosed in Montenegrin and English:

- ESIA Report and Appendices
- Non-Technical Summary (NTS)
- Framework Construction Environmental and Social Management Plan (FW-CESMP)
- Stakeholder Engagement Plan (SEP)
- Land Acquisition and Resettlement Framework (LARF)
- Framework Biodiversity Action Plan (F-BAP)

Due to the Covid-19 pandemic in 2020 plans for the public disclosure and consultation process of the ESIA package have had to be amended. Plans for public disclosure of the ESIA package have been changed in line with the EBRD's Guidance Note for PR10, which suggests ways of continuing project engagement in a safe and secure manner. Due to the restrictions of movement the planned community engagement meetings are no longer possible. The revised approach includes uploading the ESIA documents on the TA's, EBRD's and Budva, Kotor and Tivat municipalities' websites, and contacting the municipality and local community representatives to notify them of their availability. Stakeholders consulted during the development of the ESIA will be informed about the location of these documents through the local media. The documents will be made available for a period of 120 days, and comments from stakeholders will be received and considered in the finalisation of the ESIA document. The approach to public consultation and grievance management will be continuously reviewed as the Covid-19 situation develops. Meetings with representatives of Radanovici settlement and Radanovici school in particular to design a health and safety campaign for the school children will be resumed as soon as it is deemed possible.

### 5.5.2 Responsibilities for Engagement

At the Project level, the TA holds prime responsibility and authority for conducting stakeholder engagement activities. Within the TA, Mr Arnaut is the key contact person for the grievance mechanism (full contact details in section 8).

### 5.5.3 Construction Phase Engagement

The construction of the Project is anticipated to commence in 2021, and is likely to continue for approximately 24 months. During this period, engagement will be prioritised with local communities closest to the construction works, and with those receptors identified as sensitive. They will be kept informed of the construction activities and given appropriate opportunities to raise questions and any grievances.

The TA and the Construction Contractor (when appointed) will nominate points of contact for stakeholders during the construction period. These individuals will be able to answer questions about the Project, collect feedback and provide information to stakeholders through meetings and printed material. The TA has committed to organising monthly meetings with Project stakeholders, in

particular the households and businesses impacted by the Project Information about their timing and location will be posted on the TA website and those of the municipalities of Budva, Kotor and Tivat. Invitations will also be sent to those stakeholders identified as interested by e-mail. All meetings will be recorded.

Ongoing meetings will also be undertaken with national, regional and local authorities, providing them with progress updates and opportunities for them to ask questions. Focused meetings on specific technical areas of the Project will also be held, as required.

Engagement will continue throughout the construction period and the measures outlined in the Project's ESMP will be implemented. This will include the following activities:

- Provision of information about the construction programme to local communities and any access restrictions;
- Briefing communities about the worker code of conduct and expected behaviours;
- Advertising local job opportunities and other opportunities for local procurement;
- Discussions regarding the various management plans for the Project, including the Biodiversity Management Plan, Worker Code of Conduct, Construction Traffic Management Plan, Emergency Response Plan, etc; and
- Continued awareness raising about the Grievance Response Mechanism and summaries of grievances raised and their resolution.
- Continued road safety awareness raising program with both units of the Radanovici school: Radanovici unit and Lastva unit.

The Project will develop a stakeholder engagement planner (.xlsx) outlining the activities for future stakeholder engagement in more detail. This will be a 'living document' that is updated based on the latest information and needs of stakeholders.

The Project will also continue to collate key issues raised by stakeholders and actively manage the Grievance Response Mechanism for the Project (as described further in *Section 6*).

### 5.5.4 Operation Phase Engagement

The details of engagement during the operation phase will be defined further in collaboration with stakeholders. The following activities are anticipated, in line with the Project ESMP:

- Ongoing engagement will be undertaken to assess stakeholders' views on the effectiveness of mitigation/enhancement and management measures. The mode and frequency of these meetings is still to be defined; and
- Progress reports will be prepared by the TA, developed and shared with stakeholders. They will summarise Project activities and report on any actions in response to emerging issues or grievances raised.

## 6 Grievance Response Mechanism

### 6.1 Introduction

In line with Good International Practice and EBRD requirements, the Project will establish a Grievance Response Mechanism (GRM) as part of the existing grievance process of the organisation to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance. The GRM will be scaled to the risks and impacts of the Project and have affected communities as its primary user. It will seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern. The mechanism will not impede access to judicial or administrative remedies. Affected communities will be informed about the mechanism in the course of the stakeholder engagement process.

For the purposes of this plan, a grievance is defined as an issue, concern, problem or claim (perceived or actual) that an individual or community group wants the Project to address and resolve. This GRM has been developed to address concerns or complaints raised by communities affected by the Project during construction and operation. The process covers all components and activities of the Project, including those undertaken by contractors and subcontractors. A separate mechanism will be in place to address issues or grievances raised by the Project workforce and developed in line with EBRD PR 2.

### 6.2 Grievance process

The grievance process being implemented by the TA is illustrated in Appendix 3. Grievance Forms (Appendix 1) will be available on the websites of TA, Budva, Kotor and Tivat municipalities, and at their offices. Printed copies will also be made available during engagement meetings. The municipalities are required to deliver any received grievances (received in printed form, by e-mail or verbally) to TA within 5 days of receipt.

Grievance forms may be also submitted to the construction contractor or their subcontractors. Grievance forms will be available in appropriate locations near the construction sites in printed form, accessible to the public. The contractor (and all sub-contractors) will be obliged to forward all grievances received to the TA.

All grievances will continue to be recorded in a Grievance Registry (Appendix 2) and the TA will acknowledge receipt to the grievance originator within 7 calendar days (if not submitted anonymously). The grievance originator will be informed about the proposed corrective measures; and action taken within 30 calendar days of acknowledgement of grievance. In cases where the TA is not able to resolve the issue, or where action is not required, TA will provide an explanation and justification to the grievance originator. Details of how to escalate the grievance will also be provided should the grievance originator not be satisfied with the outcome. At any time, grievance originators can also seek other legal remedies, in accordance with Montenegrin laws and regulations.

TA will monitor the way in which grievances are handled and keep the Grievance Registry up to date. TA will publish and regularly update all relevant documents and grievance procedures on their website as well as provide hard copies of Grievance Forms to the Budva, Kotor and Tivat municipalities. TA will provide feedback to all stakeholders who submit grievance forms by e-mail or mail.

## 7 Monitoring and Reporting

### 7.1 Introduction

It is important to monitor stakeholder engagement to ensure that consultation and disclosure efforts are effective, that stakeholders have been meaningfully consulted on an ongoing basis, and that engagement activities are accomplishing their objectives, particularly with regard to avoiding and addressing adverse impacts to stakeholders.

### 7.2 Monitoring and Reporting

TA, together with local authorities from Budva, Kotor and Tivat municipalities, will agree measurable indicators for the Project, being informed by feedback received from stakeholders in the SEP. Effectiveness of stakeholder engagement activities will be evaluated against the goals and objectives of the SEP. This evaluation will examine the extent to which activities were implemented in accordance with the plan. The results and any lessons learned will then be incorporated into further updates of the SEP as the Project evolves.

It is expected that performance of the SEP in meeting its defined objectives will be assessed in terms of:

- Information disseminated – review of all available Project documents; their level and frequency of distribution;
- Delivery of engagement events – the number and level of participation by specific stakeholder groups;
- Minutes of meetings, actions delivered, and time taken to close out;
- Number of comments and communications with the Project from stakeholders;
- Numbers and type of grievances, their nature, any trends and timing of their resolution.
- Level of compliance with the grievance mechanism – completeness of grievance log, number of repeat grievances, number of satisfied responses from grievance originators, and qualitative assessment of awareness and/or trust in the grievance management process amongst local community stakeholders.

The TA will be responsible for coordination of grievance management and monitoring the effectiveness of engagement activities. The first monitoring report will be produced 3 months after the start of construction and on a quarterly basis during the construction works. TA will then produce annual monitoring during the operation of the Project.

Stakeholder engagement monitoring will form part of TA's Annual Environment and Social Report (AESR), which will be published on the TA and municipalities of Budva, Kotor and Tivat websites; and delivered to EBRD.

## 8 Contact Details

### Montenegrin Transport Administration

Contact person: Nikola Arnaut  
IV Proleterske 19  
81000 Podgorica  
Montenegro  
Tel: +382 20 655 095, 655 364  
E-mail: [upravazasaobracaj@uzs.gov.me](mailto:upravazasaobracaj@uzs.gov.me)  
Website: [www.uzs.gov.me](http://www.uzs.gov.me)  
[http://www.uzs.gov.me/projekat-ebrd/Tivat\\_Jaz](http://www.uzs.gov.me/projekat-ebrd/Tivat_Jaz)

### European Bank of Reconstruction and Development

EBRD Resident Office in Podgorica  
Moskovska 2/b, 81000 Podgorica, Montenegro

### EBRD Headquarters, London

One Exchange Square  
London  
EC2A 2JN  
Tel: +44 207 338 6000  
<http://www.ebrd.com/esia.html>

### Municipality Budva

Address: Trg Sunca 3, 85310, Budva  
Phone: +382 (0) 33 451 211  
Email: [predsjednik@budva.me](mailto:predsjednik@budva.me)

### Municipality Kotor

Address: Municipality Kotor Stari grad 317, 85330 Kotor  
Phone: +382 (0) 32/325-860; +382 (0) 32/325-868  
Email: [kabinet.predsjudnik@kotor.me](mailto:kabinet.predsjudnik@kotor.me)

### Municipality Tivat

Address: Magnolija 85 320 Tivat  
Phone: +382 (0) 32/661-300  
Email: [sekretarso@opstinativat.com](mailto:sekretarso@opstinativat.com)

### Lastva Grbaljska Local Community Office

Address: premises of the Elementary School „Nikola Djurkovic“  
President: Mr Mihovic Labud  
Phone: +382 (0) 67/642-911

### Radanović Local Community Office

Address: Radanovici bb  
President: Mr Mirko Kordic  
Phone: +382 (0) 69/332-000

## **Appendices**

Appendix 1 – Grievance Form

Appendix 2 - Grievance Registry

Appendix 3 - Grievance Mechanism

Appendix 4 –Public Announcement of ESIA in National EIA

Appendix 5 – Meeting Minutes

Appendix 6 – Survey Announcement

Annex 2 - Meeting Minutes TA