



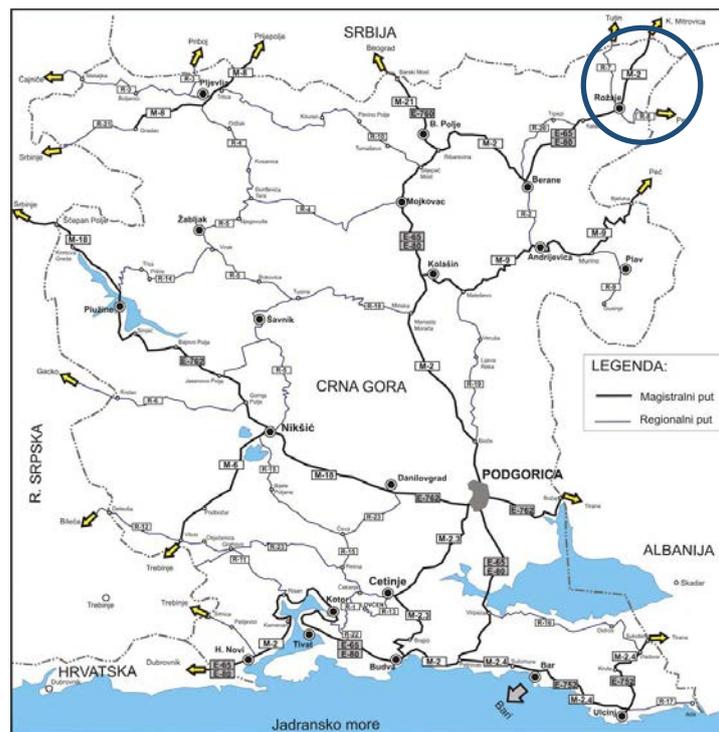
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NON-TECHNICAL SUMMARY

**Road Section [Rožaje – Špiljani]: part of
Main Roads Reconstruction Project in Montenegro**



October 2017

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Abbreviations & Acronyms:

CESMP	Construction Environmental and Social Management Plan
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
EIB	European Investment Bank
E&S	Environmental & Social
ESAP	Environmental and Social Action Plan
ESP	Environmental & Social Policy
EU	European Union
IPPC	Integrated Pollution Prevention and Control
LALRP	Land Acquisition and Livelihood Restoration Plan
MoTMA	Ministry of Transport and Maritime Affairs of Montenegro
MTD	Montenegro Transport Directorate
NTS	Non-Technical Summary
OESMP	Operational Environmental and Social Management Plan
OHS	Occupational Health & Safety
RSA	Road Safety Audit
SEA	Strategic Environmental Assessment
SEP	Stakeholder Engagement Plan

1. INTRODUCTION

The Montenegro Ministry of Transport and Maritime Affairs of Montenegro (MoTMA), through its Montenegro Transport Directorate (MTD) intends to implement the reconstruction of the section of the Ibar highway M-2 between Rožaje and Špiljani (the Project).

The European Bank for Reconstruction and Development (EBRD) is considering providing finance of a sovereign-guaranteed loan in the amount EUR 10 million to the government of Montenegro for the Project. The Project is part of a wider programme to rehabilitate twelve main road sections, with a total length of approximately 216.3 km, of Montenegro's main roads network, which will be parallel-financed with the European Investment Bank (EIB).

The location of the Project in Montenegro is indicated in **Figure 1-1** below. The Project area is situated in the north-east part of Montenegro and is part of the Ibar highway.



Figure 1-1 Project Location¹

This document is a Non-Technical Summary (NTS) providing information on the design of the Project, the potential environmental and social impacts and management measures that will be undertaken by MTD for the Project, and how members of the public can contact MTD with any further questions they have about the Project.

¹ Original source of figure: Figure 1. Road network (E, M and R) of Montenegro, roads that pass through the Municipality of Rožaje (Spatial and Urban Plan of Municipality Rožaje, 2012)

The Project has been developed by MTD based on the Montenegrin legislative requirements and those of the EBRD. The EBRD has determined that the Project is a “Category B” Project according to its Environmental & Social Policy (ESP 2014). The EBRD are working with MTD to ensure that the Project’s environmental and social risks are appraised and managed in accordance with EBRD Policy.

In accordance with the Law on Environmental Impact Assessment (EIA) (O.G., No. 80/05 and O.G., No. 40/10, 73/10, 40/11, 27/13 and 52/16) the Project does not require an EIA as it is a road project with less than four lanes. During the Strategic Environmental Assessment (SEA) for the Spatial and Urban Plan of Municipality Rožaje², and the subsequent assessment process conducted by EBRD (which also considered the SEA findings), the potential environmental and social benefits and adverse impacts were assessed and a number of specific conditions related to the construction and operation of the Project have been identified and will be addressed in the Environmental and Social Management Plans for the Project.

The land acquisition process is currently at an early stage, and a **Land Acquisition and Livelihood Restoration Plan (LALRP)** will be developed for the Project to guide and document the land acquisition process. The LALRP will be disclosed separately once prepared by MTD.

This **Non-Technical Summary** describes the Project, and summarises the findings of the environmental and social investigations conducted and the risks identified. A **Stakeholder Engagement Plan (SEP)** has been developed for the Project describing the planned stakeholder consultation activities and engagement process. An **Environmental and Social Action Plan (ESAP)** has been prepared in relation to the proposed Project, in order to structure the future Project preparation activities to be in line with EBRD’s Environmental and Social Policy (ESP 2014). The key environmental & social (E&S) project preparation documents – the NTS, SEP, and LALRP (once prepared) - will be uploaded to the MTD website (<http://www.dzscg.com>) and the EBRD website (<http://www.ebrd.com>) and a summary of the actions from the ESAP has been included in Section 8.

2. PROJECT NEED & BENEFITS

The main objectives of the Project are to support Montenegro's economic development and contribute to its cross-border integration by improving connectivity between its main cities and between Montenegro and neighbouring Serbia. The Project includes road safety and road quality improvements in keeping with the volume of through traffic on the road section, which includes providing passage to coastal locations for visitors from neighbouring countries.

The Project is included in the Spatial Plan of Montenegro until 2020. The importance of the M-2 road Rožaje-Špiljani has also been recognised by Spatial and Urban Plan of Municipality Rožaje.

In addition to economic benefits through improvement of transportation networks, including improving the effectiveness of the border crossing with Serbia, the Project is expected to result in an improvement in road safety conditions, including improved lighting and signage and strengthening and revitalising bridges and tunnels, fences and safety nets for rocks; and, mitigating some of the community safety impacts of road traffic on communities within the Project area through new bus stops and potentially with new side stops/rest areas. Pedestrian sidewalks will be incorporated in the Project design in line with the Preliminary Road Safety Audit. The Project will also provide up to 25 short-term local employment opportunities during construction.

² For the Urban Spatial Plan of the Municipality of Rožaje by 2020, a Strategic Environmental Impact Assessment was carried out and the Strategic Environmental Impact Assessment Report is adopted (Decision on development of the Spatial Plan of the Municipality of Rožaje by 2020 "Offic. Gazzet.- Municipal Regulations "No. 31/12).

3. PROJECT DESCRIPTION

Description of Project

The Project involves the reconstruction of 20 km of the main road M-2 Rožaje - Špiljani from 1148 km + 200 to km 1168 + 200. The reconstruction starts from the intersection "Vuca" (1148 km + 200) to the border with Serbia (1168km + 200). The works are as follows:

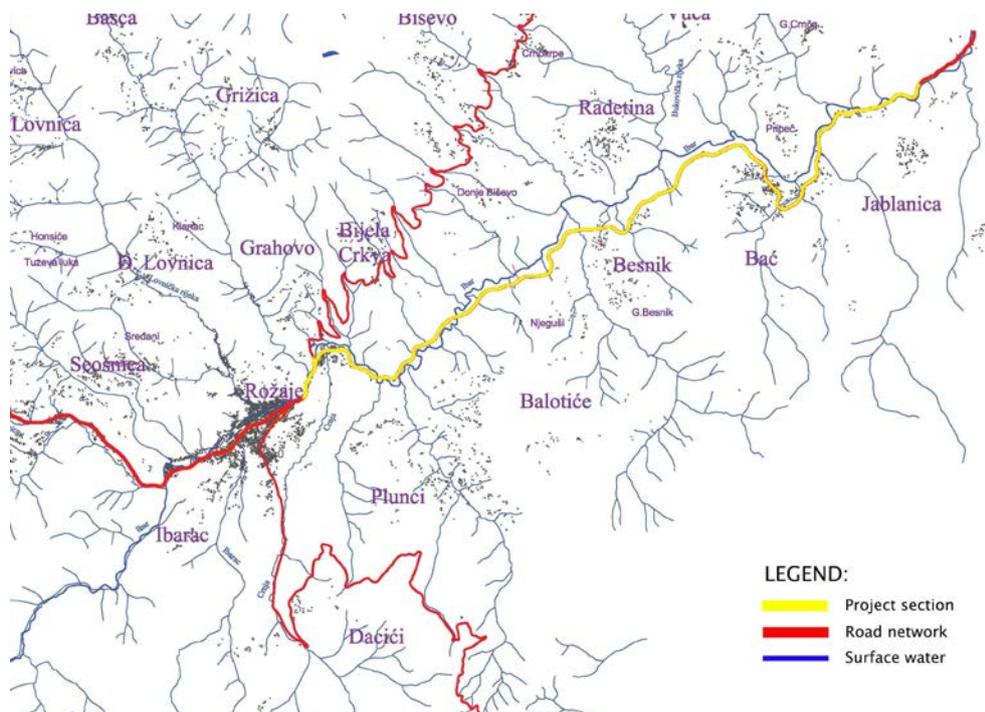
- Reconstruction of the intersection "Vuca": This intersection connects the main road M-2 with the regional road Rožaje – Vuca and the industrial zone Rožaje, i.e. Bypass Rožaje.
- Reconstruction of the road: The entire road will be widened from the current 6.0 m to 6.5 m in total. An additional lane of total 600 m (two lanes of 300 m in each traffic direction) will be built at the border crossing Dračenovac. The radii of the curvatures will be extended and all the slopes rehabilitated. The road construction will be strengthened and new traffic signs and road equipment set up.
- Reconstruction of 12 tunnels (total length of 1,678 m): The tunnels will be widened in order to satisfy traffic standards and hydro-isolation will be placed. Tunnel pipes will be extended in order to prevent the rocks falling on the road.
- Three bridges, of total length of 244 m, will be reconstructed. Construction of these bridges will be strengthened and pedestrian lanes provided.
- Eight bridges, of total length of 778 m, will be refurbished and concrete plating repaired.
- No removal will be required of residential or commercial buildings.

The reconstructed road will have a design speed of 60 km/h (the same as the current speed limit) and will allow access to the same vehicles as the current road.

Pedestrian sidewalks will be incorporated in the Project design in line with the Preliminary Road Safety Audit and pedestrian safety issues will also be further discussed with Municipality Rožaje to gain their feedback on this important topic.

The layout of the Project is shown in **Figure 2-3** below.

Figure 2-1 Layout of the Project



Along the Project route there are several local roads and accesses on which local communities and businesses are dependent. All local junctions will be either retained or replaced with junctions that meet modern standards and access will be maintained throughout construction and the main road traffic flow will be maintained in one lane at all times.

The infrastructure detailed design will be completed by the end of October 2017.

Road Safety

One of the key aims of the Project is to deliver improvements in road safety. A Preliminary Design Stage Road Safety Audit has been undertaken for the Project and appropriate requirements will be included in the Project planning and design. This includes consideration of measures for pedestrian road safety as described in Section 8 below.

Project Schedule & Construction Workforce

The Project schedule and current workforce estimates are indicated below – these are estimates at this time (October 2017) and may be subject to change depending on procurement and other ongoing activities, such as land acquisition:

- MTD currently hope to commence construction in early 2018 for the Project, with construction completion in 2019.
- Although numbers are not known yet, a Category B road of this type is estimated to need from 100-200 workers to be employed for construction at its peak. It is common for the construction workers to include local workers.
- Although there is a possibility of temporary worker accommodation being used, MTD anticipates that most workers will find accommodation in the local towns and villages along the route.

4. ROUTE SELECTION & CONSIDERATION OF ALTERNATIVES

Definition of the Corridor and Early Alignment Considerations: The overall strategic alignment of the Corridor was determined by the National Spatial Plan of Montenegro until 2020 (2008), which identified the corridors (motorways, highways (main roads) and regional roads) that need to be built and/or reconstructed, taking into account objectives of the development of Montenegro, as well as the role that the road network has in the realization of development and connectivity with surrounding countries and the region as whole. Public consultations on the National Spatial Plan of Montenegro until 2020 were conducted in 2007, prior to adoption of the document in 2008. The National Spatial Plan did not recommend an alternative for the road reconstruction.

Alternatives Assessment in the 2012 SEA: An SEA was conducted for the Spatial and Urban Plan of Municipality Rožaje in June 2012 which considered the ‘no project’ scenario (the project in this case being the implementation of the municipal spatial plan of which the road reconstruction is one part). The SEA used a multi-criteria analysis and concluded some smaller negative impacts can be expected, such as increase in air pollution and the intensity of the noise along the roads, however these would be of limited intensity and spatial scale. These impacts are not assessed as strategically significant, whereas the positive effects of the Plan are significant and strategically important.

Variations in the Main Design Going Forward: The Main Design for the Project is due to be completed by the end of October 2017. As the Main Design is based on the National Spatial Plan, no major alternatives are being considered in the Main Design. Although it is possible the design could be changed, for example as a result of ongoing engagement, only proposed changes that are in line with the National Spatial Plan could be considered and all proposed design changes need to be reviewed and approved by MTD.

5. SUMMARY OF ENVIRONMENTAL & SOCIAL LEGAL & POLICY FRAMEWORK

National Legal Framework for the Project

This Project is in Montenegro. As a European Union (EU) candidate country, Montenegro has been in the process of harmonisation with the EU legal framework, and the laws and regulations of Montenegro are gradually being adapted to meet EU norms. Montenegro has ratified the main International Labour Organisation Conventions, and has signed several international environmental and social treaties and conventions which are also applicable. The Project is governed by all these relevant laws and international obligations.

Legal Framework for Environmental and Social Protection

The Law on Environment (O.G., No. 52/16) defines the basic principles and instruments to be used to protect the environment, including relating to environmental protection, sustainable development and public participation on environmental matters. The environmental legal framework within Montenegro also contains legislation covering areas summarised below some of which are aligned with the European Directives and regulations (as indicated):

- Law on Environmental Impact Assessment (O.G., No. 80/05 and O.G., No. 40/10, 73/10, 40/11, 27/13 and 52/16) - harmonised with the EIA Directive 85/337/EEC (amended by Directive 97/11/EC and 2003/35/EC);
- Law on Strategic Environmental Assessment (O.G., No. 80/05 and O.G., No. 59/11 and 52/16) - harmonised with the EU SEA Directive (2001/42/EC);
- Law on Nature Protection (O.G., No. 54/16) and Law on National Parks (O.G., No. 28/14);
- Law on Protection of Cultural Heritage (O.G., No. 49/2010);
- Law on Integrated Pollution Control & Prevention (IPPC) (O.G., No. 80/05 and O.G., No. 54/09, 42/15 and 54/16) - complies with IPPC Directive 96/61/EC as amended;
- Law on Water (O.G., No. 27/07, 32/11, 48/15 and 52/16) - an effort was made in the drafting of the law to harmonise with the EU Water Framework Directive;
- Law on Waste Management (O.G., No. 64/11 and 39/16);
- Law on Air Protection (O.G., No. 25/10, 43/15) and Regulation on Determining Types of Pollutants, Emission Limits and Other Air Standards (O.G., no. 25/2012) transposed the requirements of the EU Directive 2008/50/EC on Ambient Air Quality and Cleaner Air for Europe, so the national limit values are in compliance with the EU levels.
- Rulebook on limit values for noise in the environment, the method for determining noise indicators and acoustic zones and methods for assessing harmful noise effects (O.G., No. 60/2011) contains limit values in compliance with the limits set in the EU.

Summary of EIA & Permitting Process

The Law on the Environmental Impact Assessment (O.G., No 80/05, No. 40/10, 73/10, 40/11, 27/13, 52/16) sets out the requirement and procedure for EIAs and related environmental approvals. For a roads project such as this one, no national EIA is required, just a screening decision to that effect. The Law on Strategic Environmental Impact Assessment (O.G., No. 80/05, No. 40/11, 59/11, 52/16) provides the provisions of the EU Directive on Strategic Environmental Impact Assessment transposed in Montenegro. The Law establishes the obligation to develop an SEA for plans and programs and other strategic documents that serves as basis for effective environmental protection and the implementation of sustainable development principles during their elaboration and in the decision-making process on final solutions.

Legal Framework for Nature Protection

The Law on Nature Protection (O.G. No. 51/08, 21/09, 62/13, 6/14, 54/16) provides nature protection through the identification of protected areas of nature. The key elements of this Law are providing grounds for establishing the ecological network NATURA 2000 and the Agency for Environmental Protection of Montenegro. In addition, the Law creates conditions for more adequate protection of species- provision of European regulations concerning the prohibition of the use of certain means of capture, killing and harassment of animals have been transposed into the Law.

Legal Framework for Worker Protection

The Labour Law of Montenegro (O.G., No. 49/2008, 59/2011, 66/2012 and 31/14) defines and regulates the rights and obligations of employees arising from employment, the method and the procedure of their exercise, collective agreement and contract of employment. The Law on the Safety and Health at Work (O.G., No. 34/14), governs the right to safety and health at work as a fundamental social right of employees.

Planning, traffic planning and road planning

The Law on Roads (O.G. No. br. 21/2009, 54/2009, 40/2010, 36/2011, 40/2011), regulates the position, development, maintenance, protection, and management and financing of public roads. Construction and reconstruction of public roads is done in accordance with the law. In addition the Law covers road safety management from the aspect of road infrastructure – area under jurisdiction of the Ministry of Traffic and Maritime Affairs. The Law on Road Safety (O.G. No. 33/2012, 58/2014), regulates traffic rules on roads, including traffic restrictions and signs.

Land Acquisition Legal Framework

The Montenegro Law on Expropriation (O/G. No. 5/00, 12/02, 28/06, 21/08, 30/2017) regulates the expropriation of properties and assets, which may only be expropriated in the public interest and with fair compensation being paid. Under this Law, the Government firstly must establish a public interest case, and notify owners and affected third parties. Valuations of properties are performed by Commission for Value Assessment of the Real Estate Directorate and serve as a basis for compensation agreement or negotiations.

Ownership and other formal legal rights on land and structures are recorded in the Cadastre, and all issues regarding property rights have to be resolved before the expropriation payment is made. For example, for persons with a claim that is recognised or recognisable under national legislation, which could include heirs of deceased owners, persons who purchased properties with a valid sale purchase contract, however did not transfer property rights to their name in the Cadastre, formal users of land and assets (lessees) and similar.

In case of disputes, the courts will rule and decide on any compensation payable. The law foresees rights of affected citizens (those with formal legal rights) to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against decision on expropriation, regarding compensation).

The Law on Expropriation falls short of the requirements of EBRD in several areas. EBRD require a socio economic survey to be completed on the parties affected. Additionally, EBRD requires those users of the land who have no recognisable legal right or claim to the land they occupy to receive compensation. Similarly, those carrying out informal business activities should also be entitled to compensation. EBRD would require the provision of livelihood restoration measures, where business activities are affected, and also requires an independent grievance mechanism. EBRD requires that public consultations are held with all categories of project affected people prior to expropriation, and that the expropriation, resettlement and livelihoods restoration processes are monitored.

Public and transboundary consultation and engagement with local communities for road projects

In the Montenegro legal system, the Constitution defines the concept of public participation in the broader sense (includes: access to information, public participation in decision-making and legal protection of these rights). In addition, Montenegro is member / a party to international treaties that deal with this topic or contain provisions on this issue. Constitution and international treaties in Montenegro are accompanied by a large number of laws that contain provisions that specifically contain principles of public participation and access to information and/or apply to these rights: The Aarhus Convention, Law on Free Access to information (O.G., 44/12, 30/17), Law on Environment (O.G., No. 48/08, 40/10, 40/11, 27/14, 52/16), Law on Nature Protection (O.G., No. 51/08, 21/09, 62/13, 6/14, 54/16), Law on the Environmental Impact Assessment (O.G., No 80/05, No. 40/10, 73/10, 40/11, 27/13, 52/16), Law on the Strategic Environmental Impact Assessment (O.G., No. 80/05, No. 40/11, 59/11, 52/16), Law on Integrated Pollution Prevention and Control (O.G., No. 80/05, 54/09, 42/15, 54/16), Law on Spatial Development and Construction of Structures (O.G., No. 51 as of 22 August 2008, 40/10, 34/11, 47/11, 35/13, 39/13, 33/14).

In the process of informing affected owners / users of land about the initiation of expropriation, municipal Real Estate Directorates and municipality representatives either organise joint meetings (in locations where the population is living in concentrated settlements) or invite each affected owner / user to an individual hearing.

Further interaction with MTD continues until the decision on expropriation becomes legally binding. During this time, affected people are also in communication with the Real Estate Directorate's Commission for Value Assessment, when their land and assets are being appraised and when an offer for compensation is being made to them.

In accordance with the Law on EIA and Law on SEA, when an intended project may have a significant impact on the environment in another country, or when another state whose environment could be significantly threatened requests so, the state authority responsible for environmental protection issues shall promptly, and not later than within the deadlines set forth for informing its own public, submit to another state the information concerning: the project, together with all available data on its possible impacts; the nature of the decision that may be adopted; and, the period within which another state can announce its intention to participate in the impact assessment procedure.

6. PROJECT EIA, STAKEHOLDER ENGAGEMENT & LAND ACQUISITION PROCESS

Environmental Impact Assessment Process

The Project does not require a national EIA or any other environmental permits prior to construction.

An SEA was conducted for the Spatial and Urban Plan of Municipality Rožaje in June 2012 which considered the 'no project' scenario (the project in this case being the implementation of the municipal spatial plan of which the road reconstruction is one part). The SEA used a multi-criteria analysis and concluded some smaller negative impacts can be expected, such as increase in air pollution and the intensity of the noise along the roads, however these would be of limited intensity and spatial scale. These impacts are not assessed as strategically significant, whereas the positive effects of the Plan are significant and strategically important and should therefore be adopted.

The subsequent assessment process conducted by EBRD has also assessed the potential environmental and social benefits and adverse impacts. Assessment topics included: ambient air, water, noise and vibration, biodiversity & habitats; landscape; local communities, employment and livelihoods, access and severance, cultural heritage, community, health, safety and security (including road safety and emergency response) and labour and workforce issues.

Stakeholder Engagement

In accordance with the legislative requirements of Montenegro, stakeholder engagement activities were organised during the development of the Project to date. Stakeholder engagement in Montenegro is mainly connected to the preparation of relevant planning documents and the expropriation process for a Project of this type and scale.

Stakeholder engagement activities were organised during the development of the National Spatial Plan until 2020 and Municipality of Rožaje Spatial and Urban Plan, both of which include the Project.

MTD have also performed some initial engagement with Municipality of Rožaje and this will continue as Project planning progresses.

A Stakeholder Engagement Plan has been prepared to identify all key stakeholders and define relevant procedures and future plans for engagement prior to and during construction. The SEP includes additional engagement with local communities with respect to land acquisition, construction management and road safety. Disclosure of the Project NTS, SEP, and LALRP is required. These will be uploaded to the MTD website (<http://www.dzscg.com>) and the EBRD website (<http://www.ebrd.com>). The LALRP will be added to the website prior to any changes in land access or land acquisition once it has been prepared by MTD.

Engagement with local communities along the route specifically on the project schedule and plans to retain access is also considered important. Engagement will clearly present how local access will be retained as part of the Project so as to confirm the understanding and support of local communities on the access to be provided.

Land Acquisition & Resettlement Planning Process

Land will need to be acquired for the reconstruction and slight widening of the road, including the permanent acquisition of land and assets in an up to 2m strip of land either side of the existing road footprint.

Outside of the settlements, land is predominantly State-owned and undeveloped. The remainder of the route is in communities where the land and assets that will need to be acquired for the 2m strip include business parking areas, front gardens (including some trees and possibly some cultivated area) and fences/boundary walls for houses. No buildings will need to be demolished for the Project and there will be no loss of access to local roads and services.

The key legal instrument governing expropriation in Montenegro is the Law on Expropriation (O.G., No. 5/00, 12/02, 28/06, 21/08, 30/2017) which regulates the conditions and procedure for expropriation of property for construction of facilities in public interest, compensation eligibility and amounts, disputes handling and other issues pertaining to the expropriation process.

Public Interest has been declared for the Project; however, no further steps can be taken in the land acquisition process until the Main Design is complete. No land or assets have been acquired / expropriated to date.

A Land Acquisition and Livelihood Restoration Plan will be developed for the Project to guide and document the land acquisition process, ensuring it meets national and EBRD requirements. The Plan includes a grievance redress mechanism for the land acquisition process so that affected persons can raise any issues and grievances. Details of this will also be provided during the engagement in each of the local communities. The contact details contained in this NTS can also be used to access the Project grievance redress mechanism.

7. SUMMARY OF BASELINE ENVIRONMENTAL & SOCIAL CONDITIONS

Environmental Baseline

General Setting: The Project is located in a mountainous, rural and low population-density area with villages scattered along the slopes on both sides of the Ibar River. Where the Project is located, the Ibar River is typical of a river in limestone karst, running through a steep gorge parallel to the M-2 road connecting Rožaje to Špiljani. The area is covered by semi-natural grasslands and shrubs and different types of natural mixed (deciduous and coniferous) woodland. The soils in the Project area are typical for limestone and dolomite substrate. The Project area belongs to Landscapes of the Ibar River plain and the Rožaje valley. Locally, there are three distinctive landscape character areas: (1) the upland river valley affected by the semi-urban settlement of Rožaje in a linear pattern along the M-2 road, bounded by undulating hills covered with deciduous forests and pastures, (2) the Ibar River gorge with a remote landscape character and the M-2 road cut through vertical limestone cliffs covered with fragments of mixed woodland (3) undulating landform above the Ibar river covered by mixed woodland and pastures and the scattered houses of the village of Bać.

Climate and Environmental Conditions: The area has a continental climate with mountain influence characterised by two prominent seasons: a dry and relatively warm period from June to September and a cold and wet period with snow from October to May. The mean annual temperature is 6.0°C. Monthly mean temperatures for the hottest and coldest months range from 14.8°C (July, the hottest month) to -3.8°C (January, the coldest month). The average annual rainfall is about 905 mm. Daily rainfall maximum reaches up to 262mm in May, dropping to 39mm in August. The average annual number of snow days is 45 with an average depth of snow cover of 51cm. One of the features of the local climate is a prevalence of calm periods, with no wind. There are no industrial facilities in the Project area that might significantly affect the ambient air quality. The main air polluting source is the regional road M-2 connecting Rožaje to Špiljani. Stationary sources include individual heating units in villages most likely combusting wood and coal. The ambient air quality in Rožaje is reported to be affected by the traffic emissions especially in the winter. Given the rural character of the area and limited industrial activity (mainly primary timber processing), most noise and vibration is likely to result from traffic along the M-2 road and the local village roads.

Geology and Water Resources: The Project area is characterised by the presence of the Mesozoic and Tertiary limestone and dolomite, a large and distinctive rock mass known as Dinaric karst, typical for the wider region of the Dinaric Alps. Karst rocks are hard and slow to erode, and often persist as sharp and steep slopes, through which gorges are cut by rivers draining the higher slopes. One such example is the Ibar River gorge, about 7.1km long and up to 150m deep.

The main surface water in the Project area is the Ibar - a transboundary river originating in Montenegro about 10 km upstream of Rožaje, running through Kosovo and Serbia, belonging ultimately to the Black Sea basin. The River

runs through the 7km-long narrow gorge between Rožaje and the village of Bać. The main tributaries in the Project area are the Županica, Limnička River, Ibarac, Grahovska, Bukovačka, Baltička and Baćka River, all considered to have torrential flows. The most recent flash flood occurred in November 2016 when the Ibar tributaries upstream of Rožaje flooded villages and the local roads. The Ibar River is reported to be among the several most polluted rivers in Montenegro, primarily affected by untreated sanitary wastewater from Rožaje³.

Flora and Fauna and Biodiversity: There are no designated nature conservation sites in the Project location itself. The nearest recognised nature conservation site is the Hajla Mountain, EMERALD site and Important Plant Area, located about 6km south of the Project. Hajla Mountain is geologically part of the Prokletije Mountain range which also includes the National Park Prokletije, approximately 5 km south of the Project location at its nearest point immediately across the border in Kosovo. Serbia is also in the process of designating part of this Mountain as a National Park (several km from the Serbian end of the Project). No direct impacts on these National Parks and the Important Plant Area will occur as a result of the Project.

The Project is located in an area that has been under anthropogenic influence for many years, largely supporting habitats that would be defined as “semi-natural”. Habitats include semi-natural dry grasslands and scrubland developed on limestone, meadows on calcareous soil, and lowland hay meadows. Alluvial forests of alder and ash are present along the banks of the Ibar and its tributaries. Low mountain areas are covered by fragments of broad-leaved oak, hornbeam and beech forests, while the montane and subalpine forests of fir, spruce, and pine are present at higher altitudes along with alpine and boreal grasslands.

Given the available data on the Ibar River ecological status (which is in “poor” condition), it can be assumed that fish fauna in the River is predominated with species that are relatively tolerant of organic pollution. However despite the poor water quality in the River, the Spatial and Urban Plan of the Municipality of Rožaje (2013 – 2020) refers to presence of huchen (*Hucho hucho*), which has the International Union for Conservation of Nature status of Endangered and is listed in Annex II of the EU Habitats Directive. There are no formal fisheries in the area and any fishing that does take place is largely recreational. There are no reports of significant hunting in the area either, other than for recreational purposes.

Social Baseline

The social context of the area varies between the urbanised centre of Rožaje, to small villages and hamlets.

Local Communities: According to the 2011 Census⁴, the total population in settlements through which the road passes is 11,717. The largest and the only urbanised settlement is Rožaje while the majority of other villages are scattered along the slopes at different elevations with poorly developed infrastructure, including the dirt roads.

Based on the Census of 2011 the population of the municipality was 22,964. Compared to the results from the previous two Censuses (22,693 in 2003, and 22,796 in 1991) it is evident that the population growth has been stagnant. There is a trend of the younger population migrating to other Montenegrin towns or abroad. The population density is low, 55 persons per km². The municipality is split into 26 community level settlements with their own elected local community councils.

All settlements in the Project area belong to the Municipality of Rožaje. The town of Rožaje is a municipal centre.

Demographics: The population in the affected communities is evenly split between men (50.6%) and women (49.4%). Population aged 25-34 is noticeably low (13.7%). In Montenegro as a whole, the average life expectancy in 2016 was 79 years for female and 74.2 for male. The key causes of mortality in the country in 2009 were the following: cardiovascular diseases (54.8%), cancer (15.2%), respiratory diseases (4.7%), gastrointestinal diseases (2.4%), and gland diseases (1.4%)⁵. The ethnic majority in the project area is Bosniak (86.5%). The largest minorities are Serbian (2.8%), Montenegrin (2.1%), and Albanian (1.8%) and the predominant religion in the project area is Islam, with 95.4% of the population declared as Muslim. About 4% is Orthodox, and the rest belong to atheists, other confessions or are undeclared. In the population older than 15 years there are about 2.8% of people with no education, 8.5% with incomplete primary education, 31.8% have basic primary education, 42.2% have secondary education and 12.2% have college or university level education.

³ Strategy of Water Management of Montenegro – The Ministry of Agriculture and Rural Development, 2015.

⁴ Census of population and households in 2011 – Institute for Statistics Montenegro, 2014; www.monstat.org.me

⁵ Statistical Yearbook of Montenegro for 2010 – Institute for Statistics of Montenegro, 2010.

Land Use: The immediate Project area is composed of built up land with settlements and the M-2 road surrounded by slopes of semi-natural vegetation, grasslands, shrub and deciduous woodland, crossed by narrow dirt roads. Given the rural character of the municipality, the construction land makes up only about 1% of the territory. Cultivated land under crops (barley, oat, rye) composes about 20% of the municipal area, mainly in the Rožaje valley. Over half of the municipal territory is covered by forest land of deciduous and coniferous vegetation and about 25% of the municipal land is composed of pastures and meadows.

Local Livelihoods: The local economy is based on small and medium enterprises, the majority of them located in Rožaje, dealing with wholesale and retail trade and transport services. The industry has been based on timber production but after the state-owned facilities went out of operation in the 1990s, the timber has been produced in small family enterprises with limited capacities, primarily producing sawn timber. Production of herbs and forest fruits (particularly mushrooms) is developed and organised. The crop farming is characterised by small-scale farming, with the majority of cultivated plots in the range 1 to 2ha. A dissected mountainous relief with steep slopes, lack of large fertile plains, and with a short vegetation period results in farming of barley, oat, buckwheat and rye, i.e. hard and less-demanding grains, tolerant of cold weather and poor soil. Farming has low to moderate crop yields, with crops often used only for subsistence and livestock feeding. Vegetable growing mainly involves potato, cabbage, and onion. Beekeeping is moderately developed and organised in cooperatives. The annual average monthly net salary in 2016 in Rožaje municipality was 466 EUR which is lower than the national average of 510 EUR⁶. Residential houses in the area are predominantly one to two storey buildings in moderate condition. Individual small holdings usually comprise a plot of land with a house, a few outbuildings (e.g. for livestock etc.) and an area for growing produce.

Community Infrastructure: Government service, community facilities, such as schools and healthcare services are primarily available in Rožaje. Several larger villages have elementary schools but the number of pupils has been decreasing. There is one health centre in Rožaje and large villages have local ambulance stations. The municipal water mains network is gravitational, covering the area of Rožaje settlement while water supply in villages is provided from local groundwater sources. The sewer system is present only in Rožaje but without a central wastewater treatment the wastewater is directly discharged into the Ibar River. Wastewater in villages is discharged either to private septic tanks or directly to local streams. Organised waste collection is available only in Rožaje but the waste management is poor with the municipal waste disposed on a non-sanitary local landfill and the widespread practice of open-air waste burning in villages. The electricity supply is unstable due to the insufficient network capacity and the old infrastructure. The area is covered with a telecommunications network. The primary form of transport is car.

Cultural Heritage: There are no known nationally protected cultural heritage sites in the Project area. There are several locally protected cultural monuments (towers, mosques, houses with architectural value) in Rožaje and the villages and a few local archaeological findings (churches, cemeteries), none of them situated in the Project footprint.

8. ENVIRONMENTAL & SOCIAL BENEFITS, IMPACTS & MITIGATION MEASURES

During the SEA (2012) for the Spatial and Urban Plan of Municipality Rožaje, and the subsequent assessment process conducted by EBRD (2017), the potential environmental and social benefits and adverse impacts of the Project were assessed. Assessment topics included: ambient air, water, noise and vibration, biodiversity & habitats; landscape; local communities, employment and livelihoods, access and severance, cultural heritage, community, health, safety and security (including road safety and emergency response) and labour and workforce issues.

The benefits of the Project are summarised below:

- **Improve Connectivity & Facilitate Economic Development:** The Project is part of a wider program to improve international connectivity in the western Balkans, in this case, improving the effectiveness of the border crossing with Serbia. The additional lanes at the border crossing are designed to reduce congestion at the crossing. Improved connectivity will further facilitate the exchange of goods and services and increase access

⁶ Statistical Yearbook for 2016 – Institute for Statistics of Montenegro.

to tourism centres and industrial areas in Montenegro. This will have a knock on positive benefit to the regional and national economy.

- **Improvements in Road Safety:** One of the primary benefits of the Project is to reduce the numbers of accidents on local roads, caused by both local and through traffic. The improvements in road safety will include improved lighting and signage and strengthening and revitalising bridges and tunnels, fences and safety nets for rocks. The Project will also mitigate some of the community safety impacts of road traffic within the Project area through new bus stops and potentially with new side stops / rest areas. Pedestrian sidewalks will be incorporated in the Project design in line with the Preliminary Road Safety Audit and pedestrian safety issues will also be further discussed with Municipality Rožaje to gain their feedback on this important topic.
- **Short-term Local Employment During Construction:** The Project will provide up to 25 short-term opportunities for local employment during the construction period.

The potential adverse effects are summarised in the Table 2 below along with the proposed key mitigation measures and an assessment of the residual level of effects, assuming the mitigation measures are implemented. Mitigation measures are captured in the ESAP that EBRD requires MTD to implement for the Project. The following is a summary of the ESAP actions:

Assessment and Management of Environmental and Social Impacts:

- MTD will ensure that all requirements from the ESAP are included in Tender Documents, including:
 - A clear requirement for the Contractor to develop a full Construction Environmental & Social Management Plan (CESMP) which includes the following: Site Management Plan, Borrow Management Plan, Spoil Management Plan, Waste Management Plan, Wastewater Management Plan, Materials Management Plan, Health and Safety Plans, Traffic Management Plan, Social Management Plan, Emergency Preparedness & Response Plan, Biodiversity Management Plan.
 - The CESMP will include a Method Statement for each bridge work site which will include measures that demonstrate protection of the water course.
 - All EBRD's E&S requirements for construction projects, including reporting requirements and PR2 and PR4 clauses within the EBRD Standard Tender Document for Works.
 - A change management process whereby any changes or design proposals from the Contractor are adequately reviewed and assessed by the Supervising Engineer (and MTD) for environmental and social implications, and any additional mitigation measures identified and applied.
 - A requirement that the Supervising Engineer and Contractor agree the specific Construction phase monitoring programme.
- MTD will establish an environmental and social management system (ESMS) in line with ISO14001 or other internationally recognised standard and in line with the guidance contained in ISO26001.
- MTD will appoint a responsible and qualified party for all matters related to E&S management for the Project. This will include sufficient resource for implementation of the Land Acquisition & Livelihood Restoration Plan.
- MTD will implement an Operational Environmental and Social Management Plan (OESMP) for the Project to include management and monitoring actions as required for road operation by EBRD (including road safety), in national law, and from the Contractor's recommendations. The OESMP will include an Emergency Preparedness & Response Plan (EPRP).

Labour and Working Conditions:

- MTD will require the construction Contractor to prepare and implement an HR Policy, including provisions to prohibit use of child labour and forced labour, rights for non-employee workers, and provisions for worker grievances.
- Contracting method and tender documents for the construction of the road will meet EBRD's procurement policies (i.e. that meet PR 2 & (relevant) PR 4 provisions (e.g. on Occupational Health and Safety)).

- Use of Local Workforce: Tender Documents to require the Contractor to produce an HR Policy which includes i) advertising all jobs locally, ii) encouraging and attracting local workforce (including women) to apply for jobs, and iii) prioritising the hire of local workforce where reasonable and practical, including women and people affected by the Project Land Acquisition, where possible.
- Contractor will implement measures to manage potential impacts of influx of workers into the local area, including general measures, health surveillance, code of conduct for workers, etc. If dedicated worker camps have to be established these will be located appropriately and avoid sensitive areas. Consultation will be undertaken by the Contractor with the relevant authorities to identify appropriate locations and minimise disturbance to local communities.
- MTD and the Contractor will develop and implement a grievance mechanism for workers (& their organisations if applicable e.g. sub-contractors) in-line with PR2 to enable individuals/groups to raise reasonable workplace concerns.

Resource Efficiency and Pollution Prevention and Control:

- Environmental Monitoring and Compliance – Air Quality and Noise: Pre-construction, construction and operational environmental monitoring measures for air quality and noise are to be developed as part of the Project CESMP & OESMP, including engaging with the Municipality of Rožaje to coordinate any monitoring efforts as appropriate. Monitoring actions will include (but not necessarily be limited to):
 - Pre-construction: Levels of air quality and noise to be measured once prior to construction start to establish a Project baseline;
 - During construction: Levels of air quality and noise to be measured monthly at four representative road side receptors, and once during the most intensive part of the works.
 - During road operation: Levels of air quality and noise measured quarterly for the first two years of operation at four representative road side receptors, at the time of the most frequent traffic.
- Surface Water Drainage: Drainage from the road will be sealed and treated before discharge at all locations where the run-off could enter the Ibar and its tributaries or other water bodies, with justification provided for the approach to drainage, including monitoring arrangements, for the full length of the road section. Where separators are in place discharge water quality from control shafts of oil separators, will be monitored quarterly.

Health and Safety:

- Occupational Health & Safety Plan (OHS) During Construction: Contractor will establish an OHS Plan as part of an OHS management system in accordance with OHSAS 18001 or other international standard including any appropriate measures to reduce the risk of transfer of STDs and HIV/AIDS among the Contractor's Personnel and the local community and to ensure sufficient provision of medical care facilities and resources for the workforce.
- MTD will establish a Health and Safety Plan as part of an OHS management system for the maintenance of the Project road in accordance with OHSAS 18001 or other international standard.
- Road Safety Audit (RSA): A Preliminary Design Stage Road Safety Audit (RSA) in line with EU Directive 2008/906/EC has been undertaken for the Project by independent consultants on behalf of EBRD in July-August 2017. MTD will include all economically viable recommendations of this RSA into the Project design. Where the RSA recommendations are not implemented, the reasons why each recommendation has been declined will be confirmed to and agreed with EBRD. Although footpaths are not within the jurisdiction of MTD (they are within the jurisdiction of the Municipality of Rožaje), one of the key RSA recommendations is:
 - Provision of pedestrian footways in the vicinity of schools along the route.
 - The urban areas of Kajeviski and missing footway sections in Bac are also recommended as areas of provision.
 - Further pedestrian surveys are recommended along the whole project route to ascertain the number of vulnerable road user movements.

Note: Pedestrian sidewalks will be incorporated in the Project design in line with the Preliminary Road Safety Audit and pedestrian safety issues will also be further discussed with Municipality Rožaje to gain their feedback on this important topic.

- A Road Safety Audit in line with EU Directive 2008/906/EC (and relevant aspects of Montenegrin legal requirements and standards) shall then be carried out by an independent appropriately certified auditor: On the detailed design; again, early in the construction phase; and, a pre-opening stage audit of the highway to ensure that the findings from the preliminary design, detailed design and the construction audit have been followed through during construction process.
- Contractor to include relevant Community Health & Safety measures within the CESMP and the Traffic Management Plan. All project drivers should be trained in safe driving and the code of conduct. The Traffic Management Plan will need to ensure local access is retained, including public transport.
- Construction Contractor to review measures to discourage public access especially at locations close to communities. This should consider the provision of temporary fencing. Any security personnel must be appropriately trained and licensed.

Land Acquisition, Involuntary Resettlement and Economic Displacement:

- MTD will prepare and implement a Land Acquisition & Livelihood Restoration Plan in line with the *Law on Expropriation*⁷ and EBRD's PR5. The LALRP will include but not necessarily be limited to: how MTD will identify parcels and ownership; how MTD will perform land and asset and any necessary socio-economic surveys; will detail entitlements including possible support available for any relocation of private assets such as fences and walls; ensure provisions for maintaining access; and, perform monitoring of land acquisition activities. The LALRP will include the commitment that compensation will be provided before displacement or imposition of access restrictions.

Biodiversity and Living Natural Resources:

- MTD will engage external resources to conduct a brief pre-construction survey to inventory and map any habitat types included in Annex I of the EU Habitats Directive in the Project footprint. If present, these priority biodiversity features will be avoided / protected. The survey will be used to note any presence of raptors that may feed in the Project area.
- MTD will require the Contractor to develop and implement a Biodiversity Management Plan for construction. The plan will include a suite of standard good industry practices such as: confining construction works to the areas where work is strictly necessary and vegetation clearance exclusively to the area approved in the Main Design; good site waste management; construction scheduling; site rehabilitation; providing specific guidance on any mitigation required as a result of the pre-construction surveys; site specific restrictions when working near water / within riparian areas; and, monitoring parameters, frequency & reporting. The plan will need to be updated by MTD as needed to address future operations.
- MTD will ensure that Tender Documents specify that the Contractor's Borrow Management Plan should include: location of proposed extraction sites, plan for access, dust management on access roads, stockpile locations and management, and plan for rehabilitation of sites, and commitments to obtain all regulatory approvals. Where existing borrow pits are used, the Contractor and the Supervising Engineer will check that the operational standards of the borrow pits are in line with good international practice prior to use.

Cultural Heritage:

- MTD will require the Contractor to include in his Construction Environmental and Social Management Plan, a Chance Finds Procedure, in accordance with the requirements of Montenegrin law and EBRD PR8.

⁷ Off. Gazette of Montenegro, No. 5/00, 12/02, 28/06, 21/08, 30/2017)

Information Disclosure and Stakeholder Engagement:

- MTD will implement the Stakeholder Engagement Plan (SEP). Contractor to adopt or develop their own SEP, inserting appropriate links to the MTD SEP, to cover implementation of the actions relevant to them as part of this. Pre-Construction SEP actions include (but are not limited to):
 - Consultation meetings with affected people with respect to land acquisition. Explanations will be provided of the revised access arrangements and access to the Project road when completed.
 - Consultation materials on the grievance mechanism will be prepared and distributed at relevant locations in the villages.
 - Discussion with the Municipality Rožaje regarding pedestrian safety, including on the installation of footpaths and appropriate lighting in key sections of the route.

Table 2 Summary of E&S Impacts and Mitigation Measures

Topic	Summary of Impacts	Summary of Key Mitigation/Management Measures	Residual Impact Significance
Environment			
Air Quality	<p>During Construction: Emissions of dust from working areas, access roads, stockpiles and during loading/unloading activities; emissions from concrete and asphalt plants; exhaust emissions from construction machinery; emissions due to peaks in traffic movements, will result.</p> <p>During Operation: Emissions of particulates, exhaust gases and volatile organic compounds, including Greenhouse Gas emissions, will increase over time as traffic levels increase with the possible exception of the area immediately around the border crossing where a reduction in idling might occur.</p>	<p>Good maintenance of plant to reduce unnecessary emissions, and to remove and replace any heavily polluting plant. Standard construction measures to reduce dust (wetting down dusty areas, covering vehicles, etc.).</p> <p>Air quality along the road section will be monitored during construction and for an initial period during operation to ensure compliance with standards.</p>	<p>During construction - Negative impacts of medium significance reduced to low significance with effective contractor management.</p> <p>During operation - Negative impacts will be of low significance.</p>
Noise and Vibration	<p>During Construction: Noise will be generated by construction plant and activities, especially if blasting and rock breaking is required (for the re-contouring of walls for example).</p> <p>During Operation: Traffic noise levels will increase gradually over time with increased traffic flows, which will particularly affect communities close to the road.</p>	<p>Management controls typical for construction work include: restriction to daytime working hours and informing local communities on the construction schedule.</p> <p>Noise levels will be monitored during construction and for an initial period during operation to ensure compliance with standards at specific nearby settlements.</p>	<p>During construction and operation - Negative impacts of low significance reduced further with effective contractor management.</p>
Soil and Agricultural Land	<p>During Construction and Operation: Any major spillages – e.g. of oil or fuel - during construction or operation of the road could cause contamination of the soil and groundwater in the area. The risk of significant effects is low, and any effects would likely be confined to the local area.</p>	<p>Various construction management control measures to reduce spillage will be included in the CESMP. An Emergency Response Plan will address spills.</p> <p><i>See also Water Resources below.</i></p>	<p>Negative impacts of low significance reduced further with management controls.</p>
Water Resources	<p>During Construction: There is a risk of increased sedimentation and pollution in the River Ibar and its tributaries during construction activities, particularly for bridge works. Spills during construction, or contaminated run off during operation could also affect the river or groundwater in some areas.</p> <p>The risk of significant effects is low, and any effects would likely be confined to the local area, except in the event of a major spill which carried downstream.</p> <p>During Operation There is a risk of pollution to the River Ibar and the groundwater if contaminated road runoff were to enter the River, or in the result of a major oil or chemical spill close to one of</p>	<p>Construction risks will be controlled by implementing actions and restrictions in the CESMP, including a method statement for each bridge work site including measures that demonstrate protection of the water course. This will include water quality monitoring measures.</p> <p>Emergency Response Plan.</p> <p>The current road has open / uncontained drainage for storm water. The final design will be reviewed with respect to drainage arrangements but at a minimum the drainage from the road will be sealed and treated before discharge at all locations where the run-</p>	<p>Negative impacts of medium – high significance reduced to low significance with contractor management controls.</p> <p>Negative impacts during operation are of low significance.</p>

Topic	Summary of Impacts	Summary of Key Mitigation/Management Measures	Residual Impact Significance
	the river crossings. The risk of significant effects is low, and any effects would likely be confined to the local area, except in the event of a major spill which carried downstream.	off could enter the Ibar and its tributaries or other water bodies.	
Biodiversity	<p>During Construction: There are no designated nature conservation sites present within the Project location itself and the Project will not affect designated nature conservation sites directly. Significant indirect effects are also unlikely.</p> <p>The Project is located in an area with “semi-natural” and agricultural habitats. The possibility of footprint on small fragments of “semi-natural” habitat types included in Annex I of the EU Habitats Directive has been identified (could not be completely discounted based on current information).</p> <p>Mitigation is needed to avoid run-off of sediment or other pollutants into the Ibar River as discussed under water quality above.</p> <p>During Operation: The significance of effects on flora and fauna during operation is considered low given the mitigation measures proposed for air quality, noise and water quality during operation.</p>	<p>A brief pre-construction site visit will be performed by appropriately qualified biologist(s) to inventory any habitat types included in Annex I of the EU Habitats Directive that are present in the Project footprint. If present, these priority biodiversity features must be avoided / protected (this is considered feasible given the proposed very small widening of the road). The same survey will also note the presence of raptors that breed in the Hajla Mountain and may feed in the Project area and appropriate considerations should be included in Project construction planning should they be observed.</p> <p>The Contractor will implement good practice measures to minimise impacts on biodiversity, such as minimising construction footprint, described in a dedicated biodiversity management section with the CESMP.</p> <p>Monitoring of air quality, noise and water quality. Emergency Response Plan.</p> <p><i>Also see Water Resources above.</i></p>	Negative impacts of potentially medium – high significance reduced to low significance with implementation of mitigation measures.
Social			
Utilities	During Construction: The scheme construction may interfere with existing utilities in the area, including electricity transmission and distribution lines and telecoms cables, as well as water supply pipelines and possibly wastewater pipelines.	All utility companies will be provided 3 months’ notice before construction of the Project begins to make arrangements for interactions with utilities. Contractor to verify the presence and position of any suspected cables or pipes, with the local utility provider before construction.	Risks reduced to low significance .
Nuisance	During Construction: The local communities along the route could be subject to nuisance effects from the construction, including noise, dust and a general reduction in amenity of the local area during the construction period.	Nuisance effects will be short-term and managed by good construction management and controls, and careful engagement with the local communities by the Contractor. See also monitoring for noise and air quality.	Negative risk of medium significance of a short-term nature would reduce to low significance with adequate management controls.
Land Acquisition	During Construction: The Project will require land acquisition, predominantly of State-owned undeveloped land, but also of privately owned largely residential / commercial land. This will give rise to some small-scale economic displacement from the loss	Application of the provisions of the Law on Expropriation and EBRD’s Performance Requirement 5. A Land Acquisition and Livelihood Restoration Plan will be developed as an ESAP item.	Negative risk of low significance would reduce to not significant assuming implementation of all

Topic	Summary of Impacts	Summary of Key Mitigation/Management Measures	Residual Impact Significance
	of assets on the private land and any informal use of State-owned land. The risk of informal activities on the State-owned land is considered low.		requirements of the Expropriation Law and EBRD Performance Requirement 5.
Access & Severance	During Construction: The construction of the road could result in localised, temporary restrictions of access due to road works in one of the two lanes or work at junctions.	A Traffic Management Plan, supported with effective consultations and engagement, to ensure that sufficient access to homes, businesses and all other community and personal assets is retained at all times.	Negative risk of medium significance of a short-term nature would reduce to low significance with adequate management controls.
Community Health & Safety	During Construction: The construction process may increase the risk of accidents to the public, largely through the movement of plant and machinery and the delivery of materials. There is also a risk of influx from workers from outside the area which may give rise to certain risks to the communities (although this is minor in this case). The public will be excluded from entering the works sites (though they will be in close proximity as adjacent traffic flow will continue) and the Contractor will need to implement measures for this. During Operation: The potential for road traffic accidents will still exist on the Project road, despite the overall benefits the Project is likely to generate in this regard.	Contractor CESMP, including Traffic Management Plan. Good site management, security, health & safety measures, warning signs etc. applied by the Contractor to minimise risks to an acceptable level. Fencing and signage to discourage public from entering the works area. Appropriate siting of any Workforce Accommodation (if any) and good community engagement mechanisms along with a grievance process. Road Safety Audit, specifically implementation of the recommendations it contains, including recommendations regarding pedestrian safety. SEP, including the requirement for MTD discussion with the Municipality Rožaje regarding pedestrian safety, including the installation of footpaths and appropriate lighting in key sections of the route.	Negative impacts of medium significance of a short-term nature reduced to low significance with contractor management controls.
Worker Health & Safety	During Construction: The works will give rise to occupational, health and safety risks to workers, including those related to working with plant and machinery, formation of asphalt, use of cement, working at height, working near utilities, and working over water for the bridge sections.	Contractor's CESMP, including Health and Safety provisions, in accordance with the Employer's Requirements and the Law on Safety and Health at Work. Good workforce management, implementation & enforcement of code of conduct, provision of health surveillance & healthcare access for workers.	Negative impacts of medium to high significance of a short-term nature reduced to low significance with contractor management controls.
Cultural Heritage	During Construction: Risk to hitherto unknown cultural heritage sites from excavations along the road corridor.	Chance Finds Procedure.	Risk is of low significance .

9. ENVIRONMENTAL & SOCIAL MANAGEMENT & MONITORING

Environmental and Social Management

Measures to manage the environmental and social effects of the Project will be included in the Tender Documents. This will include the standard requirements of MTD, based on Montenegrin law, along with the requirements of EBRD. Measures relating to public engagement are detailed in the Stakeholder Engagement Plan, and those remaining actions and commitments relating to the land acquisition will be detailed in a Land Acquisition and Livelihood Restoration Plan, which is being developed by MTD. The key elements of the required mitigation measures have been summarised in the table above, and the steps which MTD must take are described in the Environmental and Social Action Plan.

The Contractor will then develop a Construction Environmental and Social Management Plan, to identify how the commitments will be addressed during Construction. This will draw together all the management requirements to minimise disturbance to environmental and social receptors during construction. An Operational Environmental and Social Management Plan will also be produced, containing the mitigation and monitoring actions which need to be implemented during road operation. MTD will engage a Contractor to implement some or all of these on its behalf.

Environmental and Social Monitoring

The Environmental and Social Action Plan for the Project contains a number of monitoring requirements. During both construction and operation, certain activities, indicators and environmental and social resources will be monitored. Monitoring during construction will include air quality, noise, water quality, and observations on the adjacent lands. Monitoring will also include land take, indicators of problems from influx of workforce into the area, labour and working conditions including occupational health and safety, and observations on flora and fauna. Operations phase monitoring will include levels of noise and air quality at representative road side receptors, and water quality.

Monitoring and management actions for the stakeholder engagement and the land acquisition planning are proposed in the SEP and LALRP. There will also be an ongoing requirement for MTD and (during construction) the Contractor to monitor stakeholder, individual and community grievances and take appropriate management action should trends be identified or key issues occur.

Monitoring reports will be produced by the Contractor during the construction work, which will be submitted to MTD and be available to any State Inspectors. Operational monitoring reports will also be available for State Inspectors and provided to the EBRD.

10. FURTHER INFORMATION & CONTACT DETAILS

Project preparation documents are available on the MTD website (<http://www.dzscg.com>) and the EBRD website (<http://www.ebrd.com>).

Contact details for the Project are:	Contact details for the EBRD Regional Office in Podgorica are:
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