



**Construction of new railway section from Kriva Palanka to
the border with Republic of Bulgaria, as part of Corridor
VIII**

Stakeholder Engagement Plan

**Public Enterprise for Railway Infrastructure Railways of
Republic of North Macedonia – Skopje**

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Explanation note:

The project is expected to be financed in part by an approved Instrument for Pre Accession II (IPA II) grant. This grant shall be deployed through the IPA Operating Structure. See for further details: IPA 2014-2020 (IPA II) - CFCD (finance.gov.mk). In that context, the Environmental and Social instruments, including this document, shall be implemented by the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia – Skopje in collaboration with the Contracting Authority, the Central Financing and Contracting Department within the Ministry of Finance, and the Ministry of Transport and Communication.

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List of Abbreviations

| Abbreviation | Meaning |
|--------------|---|
| BMP | Biodiversity Management Plan |
| CFCD | Central Financing and Contracting Department |
| CLO | Community Liaison Officer |
| CLS | Contact Line System |
| E&S | Environmental and Social |
| EBRD | European Bank for Reconstruction and Development |
| EIA | Environmental Impact Assessment |
| EIB | European Investment Bank |
| ESM | Power Plants of North Macedonia |
| ESAP | Environmental and Social Action Plan |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| ESP | Environmental and Social Policy |
| EU | European Union |
| GA-MA | Natural gas transmission system in the Republic of North Macedonia |
| IPA | Instrument for Pre-accession Assistance |
| IPAM | Independent Project Accountability Mechanism |
| kV | Kilovolt |
| MoEPP | Ministry of Environment and Physical Planning |
| NGO | Non-Governmental Organisation |
| NTS | Non - Technical Summary |
| OCL | Overhead contact line |
| OG | Official Gazette |
| PAP | Project Affected People |
| PE ZRSMI | Public Enterprise Railways of the Republic of North Macedonia, Infrastructure |
| PIU | Project Implementation Unit |
| PR | Performance Requirement |
| RAP | Resettlement Action Plan |
| SBA | Supplementary Biodiversity Assessment |
| SEP | Stakeholder Engagement Plan |
| TIRZ | Technological Industrial Development Zone Authority |
| TSI | Technical Specifications for Interoperability |
| TPS | Traction Power Substation |
| WBIF | Western Balkans Investment Framework |
| WG | Working Group |

1. Introduction

1.1 Background

This is a Stakeholder Engagement Plan prepared for the Public Enterprise Railways of the Republic of North Macedonia, Infrastructure (PE ZRSMI) for the construction of Section 3 of the Eastern Section of the Railway Corridor VIII and electrification of the entire Eastern Section railway alignment (Section 1, 2, and 3) (the Project).

PE ZRSMI is striving to extend the railway infrastructure and complete the Corridor VIII eastern part towards the border with Republic of Bulgaria, as is it considered one of the main transport routes of the Republic of North Macedonia and plays a significant role in the economic and social development of the region mainly due to the potential for transport of more goods and people.

The project is intended to be financed by the European Bank for Reconstruction and Development (the “EBRD”) and the European Investment Bank (the “EIB”)¹ and by funds from the European Union.

As this Project involves greenfield development, the EBRD has designated it a Category A project. In 2012, an ESIA was developed for the entire Eastern Section of the Railway Corridor VIII and a new ESIA was developed in 2017 for Section 3 only.

Following the project review, an ESIA Addendum has been prepared to provide up to date information on the project and to address the gaps identified – notably in relation to biodiversity, background noise, surface water, soil quality, ambient air and social quality and social baseline. This ESIA Addendum, together with the Stakeholder Engagement Plan (SEP), Non-Technical Summary (NTS), Environmental and Social Management Plan (ESMP), Environmental and Social Action Plan (ESAP), Resettlement Action Plan (RAP), Supplementary Biodiversity Assessment (SBA) and Biodiversity Management Plan (BMP) form the Supplementary Environmental and Social (E&S) Disclosure Package, which will be disclosed by PE ZRSMI, EBRD and EIB in accordance with their respective disclosure policies as outlined in Section 6 of this SEP.

1.2 Purpose of the Stakeholder Engagement Plan

The purpose of this Stakeholder Engagement Plan is to design the strategy for communication and engagement with the project stakeholders. It has an objective to ensure wide information and consultation processes, proper information of all stakeholders as well as their sound engagement.

In particular, the SEP serves to identify, map and assess affected parties and other interested stakeholders, gauge how they may be affected by or interested in the Project and provide an action plan for consultation that allows for meaningful stakeholder engagement and outlines the grievance mechanism.

The SEP sets out PE ZRSMI’s commitment to stakeholder engagement during the whole project duration (design, construction and operational phase). Stakeholder engagement is an ongoing process involving public disclosure of appropriate information to enable meaningful consultations with stakeholders and consultations with potentially affected parties in a procedure or policy by which people can make comments or complaints. This process should begin at the earliest stage of the Project planning and continue throughout its life. It should be free of manipulation, interference, coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information, in a culturally appropriate format.

¹ Collectively known as the potential “Lenders”

2. Project Description

The Railway Corridor VIII – Eastern Section runs across the North-Eastern region of Republic of North Macedonia, the municipalities of Kumanovo, Staro Nagoričane, Kratovo, Rankovce and Kriva Palanka. It is a single-track railway and comprises the following sub-sections:

- Section 1: Kumanovo – Beljakovce (30.8 km) which was partially completed between 1994 and 2004 (approx. 50%). The original rehabilitation/ construction works under the EBRD loan were delayed for several reasons between 2013 and 2020 when the works were re-tendered in combination with Section 2. The works contract was signed with Strabag Sp.zoo. & Strabag ag & Strabag Rail a.s. in July 2022. Works commenced shortly after and are ongoing and plan to be completed by the end of 2025;
- Section 2: Beljakovce – Kriva Palanka (34 km) which was under construction between 1996 and 2004 when some of the structures (viaducts, tunnels, underpasses, culverts) were partially built. The rehabilitation/ new construction works under the EBRD loan were awarded to Gulermak Agir Sanayi Insaat Ve Taahhut Anonim Sirketi in July 2022. Works commenced shortly after and are ongoing and planned to be completed by the end of 2025.
- Section 3: Kriva Palanka – Deve Bair (the state border with Bulgaria) which is a 23.4 km-long stretch yet to be constructed with a maximum design speed of 100 km/h.

The Project comprises the construction of Section 3: Kriva Palanka – Border with Bulgaria and electrification of the Eastern Section (Section 1, Section 2, Section 3, i.e. 88 km in total). The Project alignment is shown on Figure 1.



Figure 1 Railway Corridor VIII – Eastern Section

The Project is expected to be tendered in 2023, with construction works commencing in 2024 and to become operational after 5 years, in 2027/2028.

The Project design was conducted in line with Macedonian and EU technical and operational standards (including the Technical Specifications for Interoperability – TSI).

Section 3 Railway Line.

The project area (Section 3) is located on the territory of the municipality of Kriva Palanka, which belongs to the Northeast Region of the Republic of North Macedonia. Section 3 starts before the town of Kriva Palanka (at km 64 + 942.01) and extends to the border with the Republic of Bulgaria (at km 88 + 364.65). The project area encompasses the following settlements: T'Iminci, Kriva Palanka, Gradec, Lozano, Drenje, Kiselica, Trnovo, Zidilovo, Krklja, Kostur and Uzem (Figure 1).

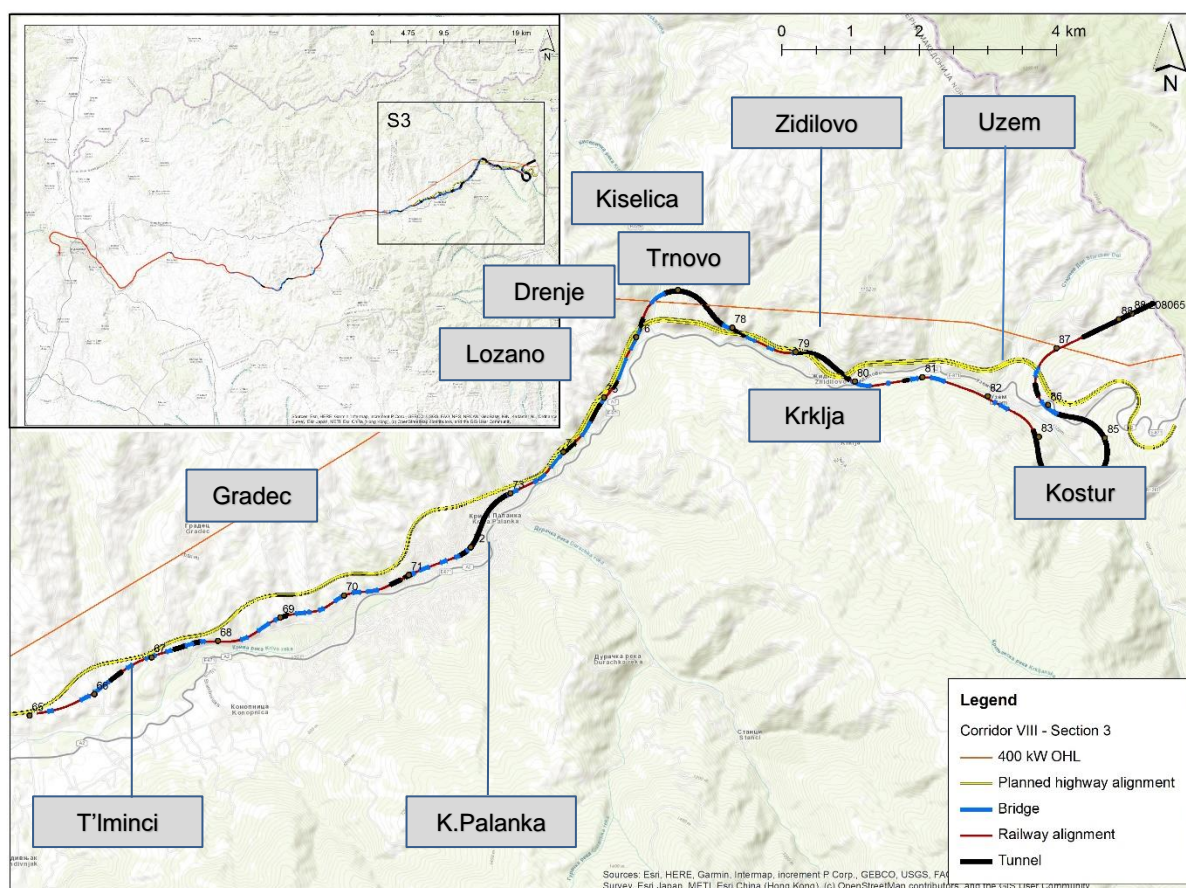


Figure 2 View on the Railway Corridor VIII – Eastern Section with a detailed overview of Section 3 Kriva Palanka (T'Iminci) to Deve Bair²

The Project comprises the following:

- Section 3: Construction of 23.4km new single-track, 100km/h max. design speed railway between Kriva Palanka and the border with Bulgaria. The scope includes the following:
 - a station in Kriva Palanka with 2 side tracks and 3 tracks for maintenance and stabilisation,
 - a halt in the village of Zhidilovo with 2 side tracks,
 - border tunnel "Deve Bair" on the territory of North Macedonia,
 - 22 tunnels with a total length of about 10 km and
 - 52 bridges (viaducts) with a total length of about 5 km.
- Electrification for Sections 1, 2 and 3 which includes:

² Figure taken from EIA 2012

- Construction of approx. 90 km of overhead contact line (OCL) and the relevant earth protection system.
- Construction of 1 new traction power substation (25 kV TPS) 25 kV AC in Kratovo (located on Section 2: Beljakovce to Kriva Palanka) and 1 in Kriva Palanka.
- connection to 110 kV feeder and construction of 110 kV current transformer station on the same location of 25 kV TPS.

The scope of work related to Section 3 consists of the following activities:

- The execution of earthworks and drainage,
- The construction of 52 bridges and 22 tunnels, including reconstruction of the 1150m border tunnel within the Macedonian territory,
- The execution of 23.5 km main track, 4.3 km station tracks and 14 sets of points,
- The construction of a substation West of Kriva Palanka
- Temporary roads to provide access to construction sites.

In respect of related facilities, Section 3 is foreseen to have:

- one station (in Kriva Palanka at km 70.58 with 2 side tracks and 3 tracks for maintenance and stabilisation),
- one halt in the village of Zhidilovo at km 80.37 with two side tracks, and
- passenger building and a railway maintenance facility.

The Project construction will require³ operation of borrow pits, quarries, concrete batching plants, disposal of excess spoil material (landfills) and construction of temporary roads to provide access to construction sites⁴.

The total number of the project affected land plots for permanent expropriation for the construction of the permanent way and access roads is 522 and total of 646801 m² affected area.

2.1 Section 1, 2 and 3 – Electrification Works

The electrification works of the Section 1, 2 and 3 will include building of a completely new Overhead Contact Line System (OCLS) along the entire length, using 25kV AC at 50Hz.

The electrification of Section 1, 2 and 3 was subject to the 2012 ESIA, EIA Consent for which was issued in 2012 and now expired. Electrification works should be subject to a new EIA, according to article 24 of the Law on Environment (simplified EIA).

According to the Detailed Design, traction power will be provided by the Traction Power Substation (TPS) of Kratovo which will be built adjacent to the Railway Station Kratovo at km 47.5 and will be connected to the grid via the existing OHL 110kV. The initial 10km of the Section 1 will be fed from the existing TPS Miladinovci along the railway Corridor X (Skopje – Kumanovo), the remaining part of the Section 1, 2 and 3 will be fed from the proposed TPS in Kratovo.

³ Considered as associated facilities.

⁴ Most of it already in place because of the ongoing construction of other infrastructural projects in the area.

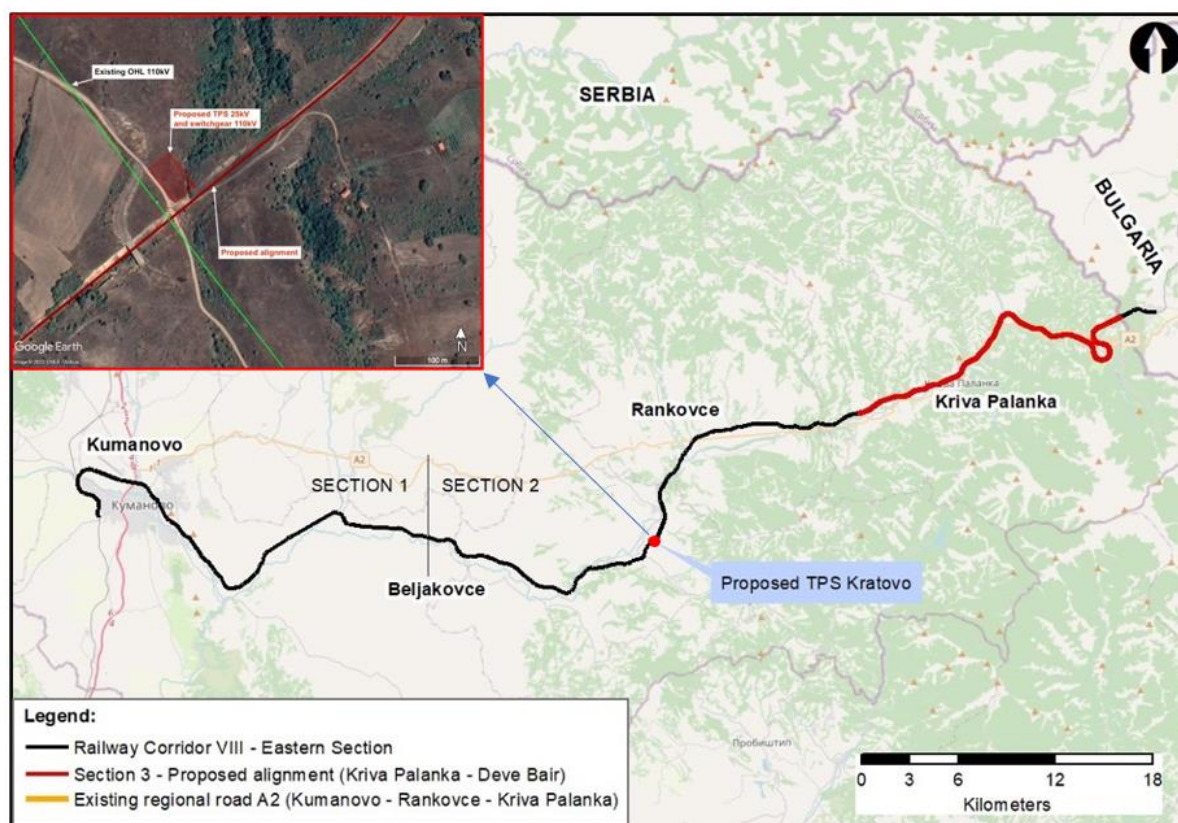


Figure 3 Aerial View of the location of Proposed Traction Power Substation 25kV and Switchgear 110kV “Kratovo” (August 2020)

Electrical feeding of the initial 10km of the Section 1 will require installation of a load break switch at the Kumanovo Railway Station and building of a switching station at km 10 (Section 1). The Kratovo TPS will comprise two traction power transformers 110/27.5 kV of 8 MVA each, and an appropriate switchgear 110kV.

An additional TPS in Kriva Palanka or Zidilovo remains a possibility in order to mitigate the potential issue of instable supply of OCL in the case of failure of TPS Kratovo. The TPS site in Kriva Palanka or Zidilovo has not been determined yet.

3. Regulatory Framework and Requirements For Stakeholder Engagement

3.1 National legislation framework

Environmental Impact Assessment (EIA)

This railway project is subject to national EIA in accordance with the national EIA legislation and EIA requirements set in the Law on Environment (Official Gazette (OG) of Republic of Macedonia, no. 53/05, 81/05, 24/07, 159/08, 83/09, 48/10, 124/10, 51/11, 123/12, 93/13, 187/13, 42/14, 44/15, 129/15, 192/15, 39/16, 99/18 и 89/22). An EIA process was conducted for Section 3 in 2017 and also earlier in 2012 for the entire railway alignment. Approvals for the project were issued by the national competent authority, the Ministry of Environment and Physical Planning (MoEPP). A public disclosure and consultation activities were undertaken accordingly, firstly in 2012 and again in 2017.

In this regard, the following public consultation and disclosure activities were conducted as part of the two EIA processes, in accordance with the Law on Environment:

- Notification on the intention to implement the Project ([ESIA 2017](#), [ESIA 2012](#)) together with a Decision for conducting an EIA was published in daily newspapers and on MoEPP's website ([ESIA2017](#), [ESIA2012](#)).
- Prior notification of the EIA was published in daily newspapers (25.11.2017) and on MoEPP's website (14.11.2017).
- As soon as EIA Studies were prepared and submitted, MoEPP published the EIAs (or NTS) on their website ([NTS2017](#), [ESIA2012](#)) and informed the municipalities affected.
- Published [SEP](#) related to the ESIA2012.
- Public hearings were organised and associated reports were published on MoEPP's website ([ESIA2017](#), ESIA2012: [Kriva Palanka](#), [Kumanovo](#), [Rankovce](#), [Kratovo](#))
- Reports on the adequacy of the EIA study were published on MoEPP's website and in one daily newspaper; this report had been prepared by MoEPP based on the EIA study, the opinions of the relevant institutions and comments received from the public and the public hearings ([ESIA2017](#), [ESIA2012](#)).
- Approvals for the project implementation for the both EIA studies were published in two daily newspapers and on the MoEPP's website, together with summary of the opinion ([ESIA2017](#), [ESIA 2012](#)).

Expropriation process

The Law on Expropriation⁵ regulates the deprivation and restriction of the right to ownership and property rights of real estate in the public interest determined by law, and for the purpose of building facilities and performing other works (hereinafter: expropriation), determining the public interest, the expropriation procedure, and the procedure for determining the market compensation.

According to Article 6, public interest in accordance with this Law for expropriation is also determined by: Public interest established by the Law on expropriation in the treatment, rational use and humanisation of the space, and protection and promotion of the environment and nature by constructing buildings and performing works of importance and the units of local self-government, provided in the Spatial Planning Acts.

In the Macedonian legislation, in addition to permanent or complete expropriation, temporary expropriation is also prescribed, and refers to the following cases:

- ✓ Temporary land expropriation is performed for the purpose of previous works from geological, geotechnical, geodetic, hydrological, meteorological, urban, technical, technological, economic, energy, seismic, traffic and ecological character, as well as for the preparation of a geodetic report.
- ✓ Temporary land expropriation is carried out for the purpose of conducting detailed geological research of mineral resources, in accordance with the Law on Mineral Resources. Temporary occupation of land may last no longer than six years from the date of transfer to possession of the land, i.e. until the expiration of the period for which the right to conduct detailed geological research has been granted.
- ✓ Temporary occupation of adjacent land is performed due to certain needs for construction and execution of works in the public interest (temporary accommodation of mechanisation necessary for construction, construction of facilities for temporary accommodation of workers,

⁵ Official Gazette of the Republic of Macedonia" no. 95/12, 131/12, 24/13, 27/14, 104/15, 192/15, 23/16, 178/16 <https://dejure.mk/zakon/zakon-za-eksproprijacija>

construction of the access roads and safeguarding of the buildings). The temporary occupation of adjacent land may last for a period not longer than two years.

The Law on Expropriation also prescribes a procedure for expropriation of orphan land or the remaining part of the property. If during the expropriation of one part of the property, it is established that the owner does not have any economic interest in using the remainder of the property, that part is also expropriated at his/her request. The owner must provide a satisfactory reason for requesting expropriation for agreement to be reached.

The Law on Real Estate Cadastre⁶ stipulates and regulates the management of the geodetic-cadastre information system, the maintenance of the real estate cadastre, the establishment and maintenance of the cadastre of infrastructure objects as part of the real estate cadastre, the basic geodetic works, the geodetic works of special purposes, the real estate survey performed in service of the real estate cadastre, the survey and the maintenance of the state borderline of Republic of North Macedonia, the topographic maps, the mass property valuation, the establishment and the management of the graphic registry of construction land, the administration of the spatial units registry, the administration of the graphic registry of streets and house numbers, the supervision over the performance of the sole proprietors – authorised surveyors and trade companies for geodetic works, as well as the status, the organisation, the functioning and the authorisations of the Agency for Real Estate Cadastre. The definitions of agricultural land and cadastral cultures are set out in the *Rulebook of the method of cadastral classification and determination and registration of the change of cadastral culture and land class* (Official Gazette of RM 144/13, 149/17, 128/15 and 95/15). This prescribes the method of cadastral classification and determination and registration of the change of cadastral and class of land.

Other applicable laws relevant for the project, include:

- The Law on Construction⁷, (OG of RM 130/09, 124/10), 18/11, 36/11, 54/11, 13/12, 144/12, 25/13, 79/13, 137/13, 163/13, 27/14, 28/14, 42/14, 115/14, 149/14, 187/14, 44/15, 129/15, 217/15, 226/15, 30/16, 31/16, 39/16, 71/16, 132/16, 35/18, 64/18, 168/18, OG of RNM 244/19 and 18/20) regulates the construction, the basic requirements of the construction, the necessary project documentation for obtaining a building permit, the rights, and obligations of the participants in construction, manner of use and maintenance of the building, as well as other issues of importance for the construction.
- The Law on Assessment⁸
- The Law on acting upon complaints and proposals⁹

Information disclosure and access to information

There is well-developed national legal framework for stakeholder engagement and public information compliant with the relevant EU Directives and international treaties. The Republic of North Macedonia has adopted the Law on Ratification of the Aarhus Convention¹⁰ (Official Gazette of the Republic of Macedonia, No. 40/99) where stipulations for access to information, public participation in decision-

⁶ (Official Gazette of the Republic of Macedonia No. 55/13, 41/14, 115/14, 116/15, 153/15, 192/15, 61/16, 172/16 and 64/18)

⁷ Official Gazette of RM the Republic of Macedonia 130/09, 124/10, 18/11, 36/11, 54/11, 13/12, 144/12, 25/13, 70/13,

79/13, 137/13, 150/13, 163/13, 27/14, 28/14, 42/14, 115/14, 149/14, 187/14, 44/15, 129/15, 30/16, 31/16, 39/16, 71/16, 132/16 and 35/18) <https://dejure.mk/zakon/zakon-za-gradenje>

⁸ Official Gazette of the Republic of Macedonia No. 115/10, 158/11, 185/11, 64/12, 188/14, 104/15, 153/15, 192/15, 30/16 <https://dejure.mk/zakon/zakon-za-procena>

⁹ (Official Gazette of Republic of Macedonia No.82/2008, 13/13, 156/15, 193/15) <https://dejure.mk/zakon/pravilnik-za-nachinot-na-postapuvanje-po-pretstavkite-i-predlozite>

¹⁰ Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (1998).

making and access to justice in environmental issues is defined and provide legal requirements for implementation of the Aarhus Convention.

Public participation as part of the EIA procedure is regulated with the Law on environment (Official Gazette of Republic of Macedonia, no. 53/05, 81/05, 24/07, 159/08, 83/09, 48/10, 124/10, 51/11, 123/12, 93/13, 187/13, 42/14, 44/15, 129/15, 192/15, 39/16, 99/18 и 89/22) and with the international conventions signed and ratified by the Government of the Republic of North Macedonia. The practical participation of the public is executed through: a) publishing of information; b) participation of the public in debates; c) the mechanism for accessibility to the justice system, where the public can influence the decision-making through submission of complaints to the court or to the secondary commission of the government.

The Macedonian Law on Free Access to Information of Public (Official Gazette of Republic of Macedonia No. 13/2006, 86/2008 and 6/2010 - LFAI) defines the obligation to provide access to information to all stakeholders, as well as to every domestic or foreign natural person or legal entity. In the framework of their capabilities, they are also obliged to undertake all necessary measures to provide assistance to natural persons or legal entities seeking to exercise their rights.

3.2 Lenders Requirements

EBRD

The EBRD Environmental and Social Policy (ESP) (EBRD, 2019) sets minimum requirements for managing environmental and social impacts and risks caused by EBRD financed projects throughout the lifetime of the projects. Each PR defines, in its objectives, the desired outcomes, followed by specific requirements for projects to help clients achieve these outcomes. Compliance with relevant national law is an integral part of all Performance Requirements (PRs).

PR 10 - Information Disclosure and Stakeholder Engagement - recognises the importance of an open and transparent engagement between the client, its workers, worker representatives, local communities and persons affected by the project and, where appropriate, other project stakeholders as an essential element of good international practice and corporate citizenship. Such engagement is also a way of improving the environmental, social and overall sustainability of projects. In particular, effective community engagement, appropriate to the nature and scale of the project, promotes sound and sustainable environmental and social performance, and can lead to improved financial, social and environmental outcomes, together with enhanced community benefits.

An essential element in the stakeholder engagement process, in order to ensure meaningful and effective consultation process, is the careful identification of all involved stakeholders and the examination of their concerns, expectations and preferences. Special attention should be paid to the identification of vulnerable stakeholders whose life and well-being is directly dependent on the project implementation. Consultation and dialogue with these stakeholder groups needs to be planned and managed with special care.

In addition, EBRD requirements for Covid-19¹¹ during stakeholder engagement are also taken into consideration. This SEP includes alternate information disclosure and stakeholder engagement measures in light of Covid-19 restrictions in line with the EBRD Briefing note for Covid-19 for stakeholder engagement (PR10).

EIB

The EIB Standards¹² (Standard 2 – Stakeholder Engagement) aim to satisfy the importance of stakeholder engagement, as a means to ensure respect for the rights to: (i) access to information; (ii)

¹¹ EBRD COVID-19 Briefing Note: Stakeholder engagement

¹² https://www.eib.org/attachments/publications/eib_environmental_and_social_standards_en.pdf

public participation in decision-making processes; and (iii) access to justice. This Standard outlines the PE ZRSMI's responsibilities for the implementation of transparent and continuous engagement with project stakeholders, with the key objectives of:

- a. Adopting an inclusive and systematic approach to engaging constructively with stakeholders, namely persons and/or communities who are directly or indirectly affected by a project, or those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively;
- b. Ensuring that stakeholders have timely access to information on the project's environmental, climate and/or social risks and impacts in a manner that is culturally appropriate and understandable to all stakeholders, including those needing special measures or assistance;
- c. Promoting and enabling the meaningful and free participation and input of stakeholders in project-related decision-making processes that may affect them, thereby seeking to build mutual trust and improving project outcomes;
- d. Providing rights-holders with effective means to raise grievances and access remedies, and promoting organisational accountability and continuous learning and improvement. In a situation where stakeholder engagement process is the responsibility of the relevant competent authorities, the promoter shall collaborate with the responsible authority to seek to achieve outcomes that are consistent with this Standard.

Standard 7 (**Vulnerable Groups, Indigenous Peoples and Gender**), outlines the responsibilities of promoters in terms of assessing, managing and monitoring project impacts, risks, and opportunities related to Indigenous Peoples as well as persons or groups that are vulnerable, marginalised or discriminated against due to their socioeconomic characteristics. It also calls for consideration of gender-differentiated impacts and risks of EIB projects. The overall objective of this Standard is to address inequalities, including those that are gender-based, and other factors contributing to vulnerability, marginalisation and/or discrimination within the context of an EIB project, and to facilitate equitable access to effective mitigation and/or compensation measures as well as project benefits for project-affected individuals and groups.

The Standard aims to:

- Ensure that projects respect the rights and interests of persons and groups who are vulnerable, marginalised or at risk of discrimination, and Indigenous Peoples, including the right to non-discrimination and the right to equal treatment of women, men, non-binary or gender non-conforming persons;
- Foster their effective participation in the design of project activities and mitigation and/or compensation measures that could potentially affect them by establishing and maintaining an ongoing constructive relationship between them and promoters throughout the EIB project cycle in line with Standard 2;
- Promote sustainable development gains and opportunities in a manner that is accessible, culturally appropriate and inclusive of persons and groups who are vulnerable, marginalised or at risk of discrimination, and Indigenous Peoples, and that enables them to benefit from the EIB financed projects;
- Promote gender equality as a basic human right crucial for sustainable development, by ensuring that gender specific impacts, vulnerabilities and barriers are considered and addressed in EIB financed projects, and by promoting equal ability to access and utilise the benefits and opportunities generated by EIB projects, regardless of sex or gender.

4. Identification of Stakeholders and Analysis

This chapter provides identification of the key project stakeholders, their analysis and categorisation. Key stakeholders who are to be informed and consulted about the Project are:

- Affected or likely to be affected by the Project and
- May have an interest in the project.

Gender aspects are considered and incorporated into the SEP and the future engagement methods. Engagement activities are designed to allow women to participate, i.e. focus groups and workshops. There are multiple methods for women to get involved in consultations and provide feedback on different aspects of the Project.

Women are also consulted as part of the consultation activities conducted so far and engaged in socio-economic survey conducted for the purpose of the Project.

The identification of stakeholders is conducted based on detailed analysis aiming to determine the institutions and individuals who might be affected, interested in this project or might have potential to influence the project, both in positive and negative manner.

The analysis and identification of project stakeholders is conducted based on the following list of potential environmental and social impacts associated with (but not limited to) the Project:

- Deterioration of air pollution due to construction activities;
- Alteration of soil, groundwater and surface water quality during the construction period;
- Soil erosion and degradation due to clearance of vegetation and earth movements;
- Waste generation during construction and operation;
- Increase of noise during construction activities and from operational traffic;
- Loss of access to individual land and fragmentation (potential economic displacement);
- Demolition of houses and auxiliary object (potential physical displacement);
- Loss of habitats and habitat fragmentation as well as landscape degradation;
- Increased traffic activities and accidents involving persons and domestic animals;
- Local disturbance associated with construction workers,
- Other potential impacts arising from the Project.

The following provides a discussion on the identified key stakeholders and their categorisation.

1. Public authorities

The Government of North Macedonia consists of a parliamentary representative democratic republic, whereby the Prime Minister is the head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and parliament. The Judiciary is independent of the executive and the legislature.

The principal governmental institutions that will be consulted include:

Ministry of Environment and Physical Planning, Ministry of Transport and Communication, Ministry of Culture and Cultural Heritage, Ministry of Finance, Ministry of Economy, Ministry of Agriculture, Forest and Water Management, Ministry of Interior– Sector Telecommunications, Ministry of Defense, Municipality of Kriva Palanka, National Conservation Centre and Museum Skopje, Protection & Rescue Directorate.

Public enterprises, agencies and companies include:

Agency for Real Estate Cadaster, Agency for Electronic Communications, Civil Aviation Agency, Water management company, TIRZ (Free Zones Authority), PE ZRSMI, PE Macedonian Forests, Makedonski

Telekom AD, MEPSO AD- Skopje, ESM, EVN – Macedonia AD Skopje, GA – MA, PE Komunalec Kriva Palanka. This initial list will be amended and expanded as the Project progresses.

2. Affected communities

Affected communities are groups of people who can be directly or indirectly (positively or negatively) affected by a project. An impacted community may be affected through components of the natural or social environment as a consequence of various aspects of a project and in varying degrees over its life cycle.

The following settlements have been identified as being directly affected within the primary project area of influence of the Municipality of Kriva Palanka and settlements: Tlinci, Gradec, Lozanovo, Drenje, Kiselica, Zidilovo, Krklja, Uzem, Kostur and Kriva Palanka.

The secondary area of influence is considered to be the broader geographic area within the North East Region.

In addition, important affected group are the land-owners, especially those concerned with land acquisition.

3. National and local NGOs

The following NGOs that were identified are:

1. Vox Populi – Kriva Palanka
2. Agropalancanka – Kriva Palanka
3. Red Cross of the Republic of North Macedonia – Branch office Kriva Palanka
4. Center for sustainable development EGRI – Kriva Palanka

In addition to the regional and local NGOs, national NGOs are also important stakeholders, especially those working with environment, biodiversity and nature protection, people with disabilities and vulnerable groups. A list of active national and local NGOs is given in Annex 2.

4. PE ZRSMI Employees

PE ZRSMI will strengthen their organisation to manage stakeholder consultation with a Senior Community Senior Officer and Community Liaison Officers, address grievances, and minimise any potential impacts identified in the ESIA study. It is important that employees of PE ZRSMI are included in the consultation and engagement processes. By consulting personnel project consultants can communicate accurate information regarding Project activities, company recruitment policies and procedures, worker health and safety procedures.

5. Local and National Media – TV stations: Macedonian Television, Telma, Kanal 5, Sitel, TV 24, Alsat, Alfa etc.; Electronic media: kurir.mk, slobodenpecat.mk, infomaks.mk, vecer.mk, plusinfo.mk; Radio stations: Macedonian radio station, Sky radio, Radio Fortuna, Kanal 77, Antena 5 etc. and local media, mainly electronic.

6. Business community (local and regional businesses)

Small and medium enterprises on the territory of Municipality of Kriva Palanka. These enterprises will be affected by the land acquisition process and resettlement. In addition, transport operators can be positively impacted in the operational phase. During the construction, there is a potential for interruptions to the road infrastructure which might affect road transport. However, with on-time information and appropriate measures, this impact can be mitigated.

7. General public

In addition to the identification of the stakeholders, SEP provides categorisation of each stakeholder. Stakeholder categories are listed in Table 1 below.

8. Contractors/Suppliers

The Contractors/Suppliers will be chosen prior to the project implementation phase and based on open and transparent procedure conducted by the Central Financing and Contracting Department (CFCD) within the Ministry of Finance.

9. Project Lenders (EBRD and EIB)

Key stakeholders identified and categorised are presented in Table 1 below.

10. Vulnerable groups

The socio-economic survey and analysis revealed that 64 household members have been identified as vulnerable. The vulnerability component is largely made up of elderly people, over 65. Senior citizens or persons over the age of 65 are considered as vulnerable. Three households are headed by women.

Table 1 Categorisation of Stakeholders and impact of the project

| Stakeholders | Description | Impact | Special issues and interests of the stakeholders | Methods for engagement and communication |
|--|--|--|--|---|
| <p>Settlements in the buffer zone of 500m from the alignment</p> <p>Land owners impacted by land acquisition</p> | <p>Residents of the settlements along the alignment from the following settlements: Tlinci, Gradec, Lozanovo, Drenje, Kiselica, Zidilovo, Krklja, Uzem, Kostur and Kriva Palanka</p> | <p>Impact due to the land acquisition process</p> <p>Impact during construction and operational phase</p> | <p>Economic displacement</p> <p>Access to justice and appropriate compensation schemes</p> <p>Potentials for health risks due to project activities</p> <p>Disruption to daily routine</p> | <p>Direct consultations</p> <ul style="list-style-type: none"> • Materials for online presentations • Press releases through local and national media • Official web sites of relevant authorities • Direct communication through email • Direct and person consultation meetings <p>Information disclosure on PE ZRSMI website, municipal website, information boards, leaflets and information activities to be conducted by PE ZRSMI and municipality.</p> <p>The information shall be related to the timing and duration of the planned activities, any kind of disruptions that might arise from the project implementation or within the design/preparatory phase. The information shall be communicated 2 weeks prior to commencement of construction activities, or at least 1 week prior to any significant change in the construction phase that might have a significant impact on the local population</p> |
| <p>Vulnerable groups</p> | <p>Based on the analysis, different vulnerable groups are identified. (handicap, blind, senior citizens, people with social assistance and allowances)</p> | <p>The vulnerable groups could be indirectly affected as a result of the construction activities: reduced access rights, reduced safety, dust and noise emissions.</p> | <p>Economic displacement</p> <p>Disruption to daily routines</p> | <ul style="list-style-type: none"> • Direct consultation • Information disclosure within the local district units, local stores, leaflets, direct communication |

Stakeholder Engagement Plan

| Stakeholders | Description | Impact | Special issues and interests of the stakeholders | Methods for engagement and communication |
|---|--|--|--|--|
| Public companies affected by railroad construction | Agency for Real Estate Cadaster, Agency for Electronic Communications, Water management company, TIRZ (Free Zones Authority), PE ZRSMI, PE for State Roads, PE Macedonian Forests, Makedonski Telekom AD, MEPSO AD- Skopje, ESM, EVN – Macedonia AD Skopje, GA – MA, PE Komunalec Kriva Palanka. | Impacted during the construction phase by interruption of their existing infrastructure. Their opinion and data provided are summarized in Table 3 below. | <ul style="list-style-type: none"> • Issuance of permits, approval, opinion in line with national legislation • Control in line with national legislation | <ul style="list-style-type: none"> • Individual online consultations • Public consultation meetings • Direct email communication • Official correspondence |
| PE ZRSMI employees | The departments that will be directly engaged in the project implementation | Responsibilities for project implementation during the pre-construction, construction and operational phase of the project | Stakeholder with the main role in securing the project's success and directly involved in the planning and implementation of the project as well as monitoring and overseeing Contractors. | It is important that information is secured on time through: <ul style="list-style-type: none"> • External communication with other related institutions, • Internal channels for communication within the PE ZRSMI • Trainings if needed |
| Business sector located in the project area | Two companies are going to be affected by the project directly, additional more will be also affected indirectly structures will be demolished. | Company structures (objects) will be demolished. Other companies in the project area might be also affected during the construction and operational phase. | Disruption to the daily routine of the roads, transport, human resources and needed construction materials. | <ul style="list-style-type: none"> • Media and press releases • Official web sites • Direct email communication • Public and individual consultation meetings |
| Government and Public authorities | Ministry Environment and Physical Planning, Ministry of Transport and Communication, Ministry of Culture and Cultural Heritage, Ministry of Finance, Ministry of Economy, Ministry of Agriculture, Forest and Water Management, Ministry of Interior– Sector | Positive impact during the operation phase Potential negative impact in a situation where there is disruption of local roads | Issuance of permits, approval, opinion in line with national legislation Control in line with national legislation | <ul style="list-style-type: none"> • Individual online consultations • Public consultation meetings • Direct email communication • Official correspondence |

Stakeholder Engagement Plan

| Stakeholders | Description | Impact | Special issues and interests of the stakeholders | Methods for engagement and communication |
|---|--|--|---|--|
| | Telecommunications, Municipality of Kriva Palanka, Protection & Rescue Directorate Emergency response providers (fire brigades, ambulance, police) | | | |
| Public enterprises and agencies | Agency for Real Estate Cadaster, Agency for Electronic Communications, Civil Aviation Agency, Water management company, TIRZ (Technological Industrial Development Zone Authority), PE ZRSMI, PE for State Roads, PE Macedonian Forests, Makedonski Telekom AD, MEPSO AD- Skopje, ESM, EVN – Macedonia AD Skopje, GA – MA, PE Komunalec Kriva Palanka. | Potential impact on existing infrastructure during the construction phase Positive impact during the operation phase | Issuance of permits, approval, opinion in line with national legislation Control in line with national legislation | <ul style="list-style-type: none"> • Individual online consultations • Public consultation meetings • Direct email communication • Official correspondence • Wide information activities during the construction phase in order to mitigate the potential impact on the road users • Coordination of different institutions to minimise disruption impacts |
| Municipalities of the project area | Municipality of Kriva Palanka | Positive impact at the operation phase due to bigger economic activity. Negative impact is related to disruption to daily routines, passenger transport corridors and commercial facilities. | Successful completion of the project. | <ul style="list-style-type: none"> • Individual online consultations • Public consultation meetings • Direct email communication • Official correspondence |
| Bulgarian stakeholders | (Ministry of Transport, Information Technology and Communication and Railway Infrastructure company of Bulgaria, Bulgarian general public and local population in the cross-border area) | Positive impact during the operation phase due to increased economic activity as well as during the operation phase due to potential for exchange of goods and one more alternative for transport. | Successful completion of the project. | <ul style="list-style-type: none"> • Official correspondence • Direct email communication |

Stakeholder Engagement Plan

| Stakeholders | Description | Impact | Special issues and interests of the stakeholders | Methods for engagement and communication |
|--|---|---|---|---|
| National and local NGOs | NGOs working in the field of environment, social aspects, sustainable development | Potential interest in the pre-construction and construction phase related to involvement in the decision-making processes | Engagement in public information activities, involvement of marginalised groups, project promotion and remediation of degraded land from construction activities. | <ul style="list-style-type: none"> • Direct email communication • Direct interviews, meetings • Public information meetings |
| General public from the whole country | Population living in the respective settlements (in addition to those directly affected by land acquisition) as well as all Macedonian citizens | Positive impact during the operation phase | Securing on-time information of the risks and benefits of the project | <ul style="list-style-type: none"> • Online presentations • Press releases • Project leaflet • Official web sites • Other communication tools (Viber, What's up) |
| Contractors/Suppliers | Different contractors and suppliers that can benefit from project implementation | Positive impact during the construction phase | Direct involvement in project activities appropriate to their skills and capacities | <ul style="list-style-type: none"> • Direct meetings • Public information • Official web sites • Other communication tools (Viber, What's up) |
| Project lenders (EBRD and EIB) | Stakeholders supporting and monitoring project implementation | Positive impact | Support of project implementation and securing finance as well as overseeing and monitoring project implementation by reviewing annual reports and grievances. | <ul style="list-style-type: none"> • Direct email communication • Official web sites • Pres releases • Annual report • Grievance log |

5. Previous stakeholder engagement consultations

Previous public information and stakeholder engagement activities were conducted as part of the national EIA procedure related to the ESIA in 2012 for the entire railway alignment (Section 1, 2 and 3) and again in 2017 for Section 3, prior to ESIA approvals by the Ministry of Environment and Physical Planning (MoEPP) in line with national legislation. Based on the SEP 2012, consultations for ESIA 2012 were conducted at four different locations (Kriva Palanka, Kumanovo, Rankovce and Kratovo). Public consultation for the ESIA 2017 was also conducted in 2017/2018 in accordance with the national environmental legislation, and one [public hearing](#) was held in in Kriva Palanka¹³.

Additional public consultations for Section 3 were conducted in 2022 and 2023 for project information and resettlement purposes, having in total 15 meetings with different stakeholders and relevant institutions. These meetings were organised by PE ZRSMI, inviting stakeholders directly by phone, public invitation and in cooperation with the local municipality.

The first information meeting with stakeholders was conducted on 25 February 2022 at the Municipal Hall of the Municipality of Kriva Palanka. The main aim of the meeting was to inform project affected people (representatives from district units affected by land acquisition and resettlement) of the railway alignment, the intention of continuing the efforts toward commencement of the construction of Corridor VIII – Eastern Section, to inform project affected people of the land acquisition and resettlement procedures, as well as to hand over the information on plots subject to resettlement and land acquisition to the representative responsible from each district unit. The meeting was attended by representatives from each district unit affected by resettlement and/or land acquisition. In addition, information on the project and on expropriation activities was communicated with the public through public notifications placed at different locations in Kriva Palanka and by invitations to attend the meeting.

Additional meetings were held in Kriva Palanka, (10 and 11 March 2022) with project affected persons (PAPs) affected by land acquisition and resettlement, aiming towards transparent and direct communication. Information on clarification meetings was published on the Municipal website and representatives from district units were contacted directly via phone or other means.

In April 2022 (04.04.2002) PE ZRSMI organised a meeting with the PAPs to discuss the access roads in Kriva Palanka where a serious concern was raised relating to the number of houses subject to demolition (land parcels and assets located on the access roads and slopes in Kriva Palanka). For this purpose, in cooperation with PE ZRSMI, four different working groups were established, covering four different issues: the access road at the gas station, the location of the railway station, the tunnels and the slopes in Osichno neighbourhood. The first three groups are concerned with the access road issues and the fourth with the slopes issue. All four groups are concerned with the issue of demolition of houses.

In May 2022 seven meetings in the project area were organised with the PAPs related to the permanent way presenting the project and conducting social economic surveys, and another one in October 2022 with the PAPs related to the access roads in Kriva Palanka. The following information was communicated with the concerned public:

- Timing of land and assets expropriation – a representative of PE ZRSMI informed the participants of the foreseen timeframe for land acquisition and compensation, but also provided information about the legislative framework of the expropriation.

¹³ 13.02.2018

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- Timeline of the commencement of the railway construction - The communities were informed about the foreseen project timeline, the activities related to the development of project documentation and the planning of the construction activities.
- Timeline of the commencement of the compensation - The communities were informed about the foreseen compensation timeline, which will start after the completion of the expropriation process but before the commencement of the construction activities.

On 23 January 2023, PE ZRSMI held another meeting with the PAPs to inform them that a decision for redesign of the access roads had been made. The conceptual design was also presented to the PAPs emphasising that suggestions from the public had also been considered in this concept. There were no comments from the public. The activities for redesign of the access road have been initiated and completed by PE ZRSMI expecting to result with saving 23 houses from demolition.

In January 2023, two meetings were also organised for biodiversity aspects related to the project, one with MoEPP and a second with local biodiversity practitioners to present and discuss relevant biodiversity findings and mitigation measures, based on what additional useful information was collected.

Transboundary Effects

As the Section 3 project includes the Macedonian part of the cross-border tunnel with Bulgaria, the project is subject to the Espoo Convention¹⁴ on EIA in a Transboundary Context. The Ministry of Environment and Physical Planning of North Macedonia provided the following documents to the Bulgarian Ministry¹⁵: (1) Civil Engineering Design of Tunnels – Tunnel No. 22, (2) Geotechnical Report and Preliminary Hydrology Design, (3) Non-Technical Summary of the ESIA, and (4) an excerpt from the ESIA related to the transboundary impact assessment of proposed tunnel No. 22.

The national ESIA process involved the environmental authorities of Bulgaria which provided their requirements for the ESIA, and asked in particular for consideration of potential effects of the cross-border tunnel construction on existing fissured groundwater bodies (aquifers) on the Bulgarian side. In the ESIA the groundwater aquifer was found to be low-sensitive as the rocks are low-permeable and the groundwater depth was reported to be at about 100 m below ground level.

In April 2018, upon consideration of the ESIA and associated design documents, the Bulgarian Ministry informed its Macedonian counterpart that the assessed effects of the cross-border tunnel were found to be acceptable by the relevant water management stakeholders and that no significant health effects were anticipated for the population of the nearby Bulgarian village of Gyueshevo. The Bulgarian Ministry decided that no public consultation for the Project would be necessary, concluding that “there is no need for further participation of the country in the EIA procedure, including a public discussion of the report in the border region of the Republic of Bulgaria”.

The correspondence conducted as part of the transboundary EIA process is publicly available on the Bulgarian Ministry website: <https://www.moew.government.bg/en/construction-of-section-3-of-rail-corridor-viii-kriva-palanka-border-with-the-republic-of-bulgaria/>.

¹⁴ Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and the Protocol on Strategic Environmental Assessment (SEA Protocol)

¹⁵ The entire correspondence conducted as part of the transboundary EIA process is publicly available on the Bulgarian Ministry [website](#).

6. Information Disclosure and Stakeholder Engagement Programme

The stakeholder engagement and information disclosure methods for this project have been tailored in accordance to the recommendations relevant to the actual situation regarding the Covid-19 pandemic, caused by SARS-CoV-2 virus. Any changes to the situation will be considered and the programme shall be updated accordingly.

This chapter provides the scope and manner of engagement and disclosure in the preparatory and construction phases. The details for the operational phase shall be provided in some of the updates of this SEP.

6.1 Consultation and disclosure of information

PE ZRSMI intends to provide all relevant information to the public during the Project development phase and design.

Different methods of stakeholder engagement shall be considered and used by PE ZRSMI to ensure continuous communication with all identified project stakeholders and to make all necessary information available and accessible to the public.

PE ZRSMI in close cooperation with the affected municipality (Kriva Palanka) and the local authorities (head of settlements) will ensure that local residents and businesses living or operating in the vicinity of the Project area of influence, in particular, the affected settlements (Tlincinci, Gradec, Lozanovo, Drenje, Kiselica, Zidilovo, Krklja, Uzem, Kostur and Kriva Palanka) are regularly and promptly informed about the Project development especially addressing start of construction activities and its impact on the local roads, land owners and present businesses.

PE ZRSMI will ensure an informed participation and meaningful two-way consultation with the affected stakeholders.

All interested and affected parties will be able to find the documents listed below on the PE ZRSMI and municipality of Kriva Palanka website (www.mzi.mk; <https://www.krivapalanka.gov.mk/>).

6.2 Consultation and disclosure methods

Disclosure

Project related environmental and social documentation will be electronically available on PE ZRSMI's corporate website (www.mzi.mk), but also on the EBRD and EIB websites: www.ebrd.com and www.eib.org respectively during a period of 120 calendar days and will remain publicly available throughout the life of the Project. All interested parties can comment on the documentation presented for the given period of 120 days.

The following information is publicly available in the following languages:

- Non-Technical Summary (NTS), Macedonian, English, Albanian and Bulgarian,
- Stakeholder Engagement Plan (SEP), Macedonian and English,
- Environmental and Social Action Plan (ESAP), Macedonian and English
- ESIA Addendum, Macedonian and English,
- Environmental and Social Management Plan (ESMP), Macedonian and English,
- Supplementary Biodiversity Assessment (SBA), Macedonian and English,
- Biodiversity Management Plan (BMP), Macedonian and English,

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- Resettlement Action Plan (RAP), Macedonian and English.

In addition, hard copies of these documents will be available at the following locations:

- PE ZRSMI premises in Skopje [St. Jordan Mijalkov 50 B, 1000 Skopje];
- Municipality premises in Kriva Palanka [St. St. Joachim Osogovski No.175, Kriva Palanka].

Furthermore, project leaflets will be available in hard copy in public places in the affected communities in the project area.

The NTS will be provided in Bulgarian to the Bulgarian National Railway Infrastructure Company (<https://www.rail-infra.bg/>) and PE ZRSMI will consult with them in order to publish the E&S deliverables as news on their website (<https://www.rail-infra.bg/>).

The Contractor will secure the construction sites prior to any construction activities and will ensure that appropriate construction and warning signs are in place. Information in relation to the Grievance Mechanism will also be included into the Contract.

Project promotional and other project visibility materials (leaflets, brochures etc.) will be prepared and shared with the public by PE ZRSMI.

Stakeholder engagement

Table 2 below provides the minimum stakeholder engagement activities to be conducted during the project preparation phase.

Table 2. Stakeholder engagement activities

| Stakeholder engagement activities | Method | Location | Responsibility |
|---|---|---|----------------|
| Organise public meetings for communication of the latest project. One meeting per settlement in the project area. | Stakeholders are to be informed of the exact date, time and venue of the meeting at least seven days in advance. Information to be communicated via PE ZRSMI website and Municipality notice boards. Also, leaflets and other communication materials to be used for securing a wider audience more promptly. | Premises of the Municipality of Kriva Palanka where PE ZRSMI responsible employees and municipal representative will be present | PE ZRSMI |
| Organise information meetings with PAPs concerning expropriation activities. One meeting per settlement in the project area. | PAPs to be informed about the exact date, time and venue of the meeting at least seven days in advance. Information to be conducted via PE ZRSMI website and Municipality notice boards. Also, leaflets and other communication materials to be used to secure a wider audience more promptly. | Premises of the and/or affected locations within the municipality | PE ZRSMI |
| Set up Project Implementation Unit (PIU) | Interested stakeholders and PAPs will be able to receive information regularly and answers to their questions | Part of PE ZRSMI | PE ZRSMI |

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| Stakeholder engagement activities | Method | Location | Responsibility |
|--|--|-----------------------------------|----------------|
| Regularly update the PE ZRSMI website to secure timely access to relevant documentation, at least two weeks in advance of meeting. As a minimum on a monthly basis. | PE ZRSMI web site | Online at PE ZRSMI web site | PE ZRSMI |
| Develop project implementation leaflet, leaflet on resettlement and if possible, guide on resettlement and expropriation activities as well as citizen rights in regard to the land acquisition and resettlement activities. 200 copies per document. | Distributed on site within the municipality area: - Premises of the municipality, - Local shops in each of the settlements | Municipality of KP | PE ZRSMI |
| Regularly prepare and publish press releases, as per the project progress and updates. | National and local media | Whole country, Municipality of KP | PE ZRSMI |
| Assign responsibilities and define working groups from PE ZRSMI engaged on the project | Official document issued by head office of PE ZRSMI | Internal communication | PE ZRSMI |

Consultation with vulnerable groups

In addition to the consultations already conducted, there should be a number of consultations to be carried out by PE ZRSMI prior to the construction phase of the Project, especially with families likely to be physically resettled, local residents whose houses and land plots will be located close to the proposed road alignment, and local businesses.

Moreover, the consultations with vulnerable groups shall be conducted at their residence and productive engagement must be secured during whole project duration. The details of the potentially affected groups and individuals shall be consistent with the household and asset inventory survey conducted as part of the RAP and will be based in such documentation for the purposes of proper consultation.

For vulnerable groups with disabilities, easier access to institutions in the expropriation process should be secured by the PE ZRSMI such as organised transportation, timely information, legal aid and advisory services, etc. Simple, non-technical language will be used to ensure that the Project impacts are communicated transparently.

6.3 Stakeholder Engagement Programme

Detailed programme with communication methods and timing of engagement with Stakeholders is presented below encompassing actions that will be taken at pre-construction phase, construction and operation phase.

PE ZRSMI and the Contractor(s) will continue to engage with the stakeholders and this Stakeholder Engagement Plan will be frequently updated to reflect the Project progress and will reflect the construction and operation phases.

PE ZRSMI will designate a Project community liaison officer (CLO) who will collate any comments, provide feedback and document this information. All communications will be reviewed to determine the feasibility of making changes to satisfy the requests and interests and the communicator will be informed of the outcome, wherever possible.

Table 3. Stakeholder engagement programme

| Activity | Stakeholders | Information/Materials/Communication Method | Information to be Disclosed | Timeframe/Frequency | Responsibility | Location |
|--|--|--|--|---------------------|-----------------------|--|
| Designate Project CLO | Local residents and businesses | Information boards with post box, project material disclosure, personal visits, community meetings | NTS, grievance mechanism, SEP, project leaflet, brochure | Immediate | PE ZRSMI | Project area |
| Prepare project promotional material (leaflet, brochure): 1) General project information, 2) Land acquisition information; 200 copies each | Local residents and businesses | In cooperation with the municipality and the local authorities (settlements). | Project promotional material (leaflet, brochure) | Immediate | PE ZRSMI, Project CLO | PE ZRSMI headquarters, Local authorities office, PIU |
| Place hard copies of SEP, NTS and project information materials | Communities in Timinci, Gradec, Lozanovo, Drenje, Kiselica, Zidilovo, Krklja, Uzem, Kostur and Kriva Palanka | In cooperation with the municipality and the local authorities (settlements). | SEP, NTS and project promotional materials | Immediate | PE ZRSMI, Project CLO | SEP, NTS at the office of the municipality; Promotional materials at local shops in: Timinci, Gradec, Lozanovo, Drenje, Kiselica, Zidilovo, Krklja, Uzem, Kostur and Kriva Palanka |
| Communication of Project status, timeline and activities | Municipality, Local authorities (settlements), Local NGOs | Telephone, emails, face to face meetings | Project information | Continuous | Project CLO | / |
| Direct communication and regular—update on land acquisition and-resettlement process | Project Affected People with respect to land acquisition (area users and owners) | Telephone, emails, face to face meetings | Land acquisition information | Continuous | Project CLO, PIU | |

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| Activity | Stakeholders | Information/Materials/Communication Method | Information to be Disclosed | Timeframe/Frequency | Responsibility | Location |
|--|---|---|---|---|----------------------------|--|
| Review and discuss Project environmental monitoring requirements with Ministry of Environment and Physical Planning and municipality | MoEPP, Administration on environment, Municipality of Kriva Palanka | Telephone, emails, face to face meetings | Review and discuss Project environmental monitoring requirements with Ministry of Environment and Physical Planning | Prior construction | Environmental officer, PIU | PE ZRSMI headquarters, Municipality office |
| Review and discuss Project environmental reports | MoEPP, Administration on environment, Municipality of Kriva Palanka | Telephone, emails, face to face meetings | Review and discuss Project environmental monitoring requirements with Ministry of Environment and Physical Planning | During construction | Environmental officer, PIU | PE ZRSMI headquarters, Municipality office |
| Organise information meetings and consultations for affected vulnerable groups, households near to construction, women, the disabled, pensioners regarding Project impacts | Vulnerable groups | Direct interview, presentation of materials for vulnerable groups | Project information materials | At least one per settlement, prior to construction. If needed during the project duration | PE ZSRMI, PIU | PE ZRSMI headquarters |
| Communication on Project related and potential job opportunities. Two meetings before the start of the construction. | Regional public | Newspapers, radio, internet, schools, local supermarkets, etc | Project information materials | Prior to construction commencement | PE ZSRMI, PIU | PE ZRSMI headquarters |
| Conduct information meetings at all affected settlements prior to commencement of the construction phase | Local population from affected settlements | Direct meetings with PAPs | Project information materials | At least one at each affected settlement. Prior to construction commencement | PE ZSRMI, Project CLO, PIU | PE ZRSMI headquarters |
| Conduct wide information meeting to the general public | General public, | Information meetings | Project information materials | Once the loan is approved | PE ZSRMI, Project CLO, PIU | PE ZRSMI head office |
| Provide regular TV briefings, press releases and PR texts to web site | General public | Press releases, PR texts, short information on web site | | Ongoing | PE ZSRMI, Project CLO, PIU | PE ZRSMI head office |

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| Activity | Stakeholders | Information/Materials/Communication Method | Information to be Disclosed | Timeframe/Frequency | Responsibility | Location |
|---|-------------------------|--|---|---------------------------|----------------|----------------------|
| Consultations with affected visual receptors (residential properties) | Project Affected People | Public consultations | Information related to noise barriers and potential impact from noise during construction and operation phase | During disclosure period | PE ZRSMI | Kriva Palanka |
| Provide annual reporting to EBRD | EBRD, EIB | Report developed | Project progress | Annually | PE ZRSMI, PIU | PE ZRSMI head office |
| Regular overseeing and monitoring of the Contractors operation | Contractors | Site visits, reports | Minutes of meeting, photos | Ongoing | PE ZRSMI, PIU | PE ZRSMI head office |
| Design and implementation of a Public Safety Campaign | General public | Radio, TV, Information materials etc. | Public Safety information | Once the loan is approved | PE ZRSMI, PIU | Kriva Palanka |

Responsibilities

PE ZRSMI will have ultimate responsibility for the Project and will oversee the implementation of the Lenders' requirements during construction by overseeing construction contractor, construction sub-contractors and their involved third parties. The implementation of the SEP is one of their responsibilities.

For the purposes of the implementation of the Section 3, in particular in relation to the project preparatory phase, PE ZRSMI has established a working group (WG), consisting of four subgroups covering four different aspects, one of which covers stakeholder engagement.

PE ZRSMI will be responsible for creating a Project Implementation Unit to implement the Project, the mitigation measures and management procedures specified in the disclosure package, where the SEP actions are defined. For this purpose, PIU will appoint technical specialists to effectively audit the implementation of E&S measures and processes.

The Contractor will be responsible for ensuring that all their work and staff activity is compliant with the legislation, policies and standards for E&S, by implementation of the plans and subplans which include the SEP.

PE ZRSMI will appoint a Supervision Consultant, with a range of expertise, to supervise the activities of the Contractor on a day-to-day basis.

7. Grievance Mechanism

Aiming to enable stakeholders to address their comments and complaints during project phases, PE ZRSMI will maintain a mechanism (Grievance Mechanism) available on PE ZRSMI's official website (www.mzi.mk) as well as on the municipality website concerned (www.krivapalanka.gov.mk).

PE ZRSMI shall make sure there is a fully operational grievance mechanism during pre-construction, construction and post-construction/operation phase. The grievance form has been prepared and is provided in Annex 2.

In addition, environmental and social complaints can be submitted through either EBRD IPAM with email to Independent Project Accountability Mechanism¹⁶ and/or to the EIB Complaint Mechanism¹⁷.

All interested stakeholders shall be duly informed of the availability of the grievance mechanism, whereby PE ZRSMI shall put up announcements along the railway alignment (schools, community centres and other public places easily accessible to all relevant stakeholders), and whereby these announcements will provide all the relevant information necessary for submission of grievances, i.e., available resources, contact information, etc. PE ZRSMI shall also provide an official announcement about the grievance mechanism on their website and make additional announcements in the local media (e.g., local newspaper, online new portals, radio, etc.).

Contractors engaged at the implementation/construction phase of the project shall use the same Grievance Mechanism and respond to grievances accordingly. They should also keep a record on Grievances and

¹⁶ <https://www.ebrd.com/project-finance/independent-project-accountability-mechanism/ipam-policies.html>

¹⁷ <https://www.eib.org/en/about/accountability/complaints/submit/index.htm>

report to PE ZRSMI regularly and assign a relevant employee to respond to grievances and communicate with the counterpart at PE ZRSMI.

Accordingly, all stakeholders will be provided with a number of means for filing grievances. The available grievance submission methods include email, online forms, grievance box at the construction site, and post. Grievances may be submitted anonymously, or they may be signed, and the complainants may provide all their relevant contact information if they want to be contacted subsequently. A grievance mechanism will be adopted and implemented as shown below.

- All comments and complaints will be forwarded and processed by the responsible person of the PE ZRSMI, as shown in Table 7.
- Grievances will be received by the responsible person of the PE ZRSMI and recorded at Grievance register. Based on the character and type of the grievances, the employee responsible will process the grievance in the relevant department in PE ZRSMI.
- All grievances will be acknowledged within 3 working days and responded to within 30 working days.
- The department will act to investigate and analyse the grievance and will act to satisfy the complaint. Furthermore, it will implement the solution, inform the complainant of that solution and subsequently close the case. In a situation where the grievance cannot be solved, the responsible employee will act to identify long-term action and will inform the complainant of the correction action needing to be taken. After implementation of the corrective action, the grievance will be logged in the Grievance register with a description of the outcome and action taken.

Individuals can request the right to have their name kept confidential and this mechanism does not preclude the right for stakeholders to process grievances through other judicial means. Macedonian law establishes the rights of affected citizens to appeal to Courts during the expropriation process. This mechanism shall not prevent access to judicial or administrative remedies and if not satisfied with the outcome, stakeholders may proceed further using other available legal remedies.

Table 4. PE ZRSMI Contact person for Grievance Mechanism

| |
|--|
| <p>PE “Railways of Republic of North Macedonia” Skopje ЈП за железничка инфраструктура Железници на Република Северна Македонија</p> |
| <p>Address: Jordan Mijalkov no. 50, 1000 Skopje, Republic of North Macedonia Web: www.mzi.mk E-mail: info@mzi.mk</p> |
| <p>Contact person for Grievance mechanism</p> |
| <p>Mr. Aleksandar Ravnjashki Head of Department for Health and Safety Tel: ++ 389 078 246 749 E-mail: a.ravnjaski@mzi.mk</p> |

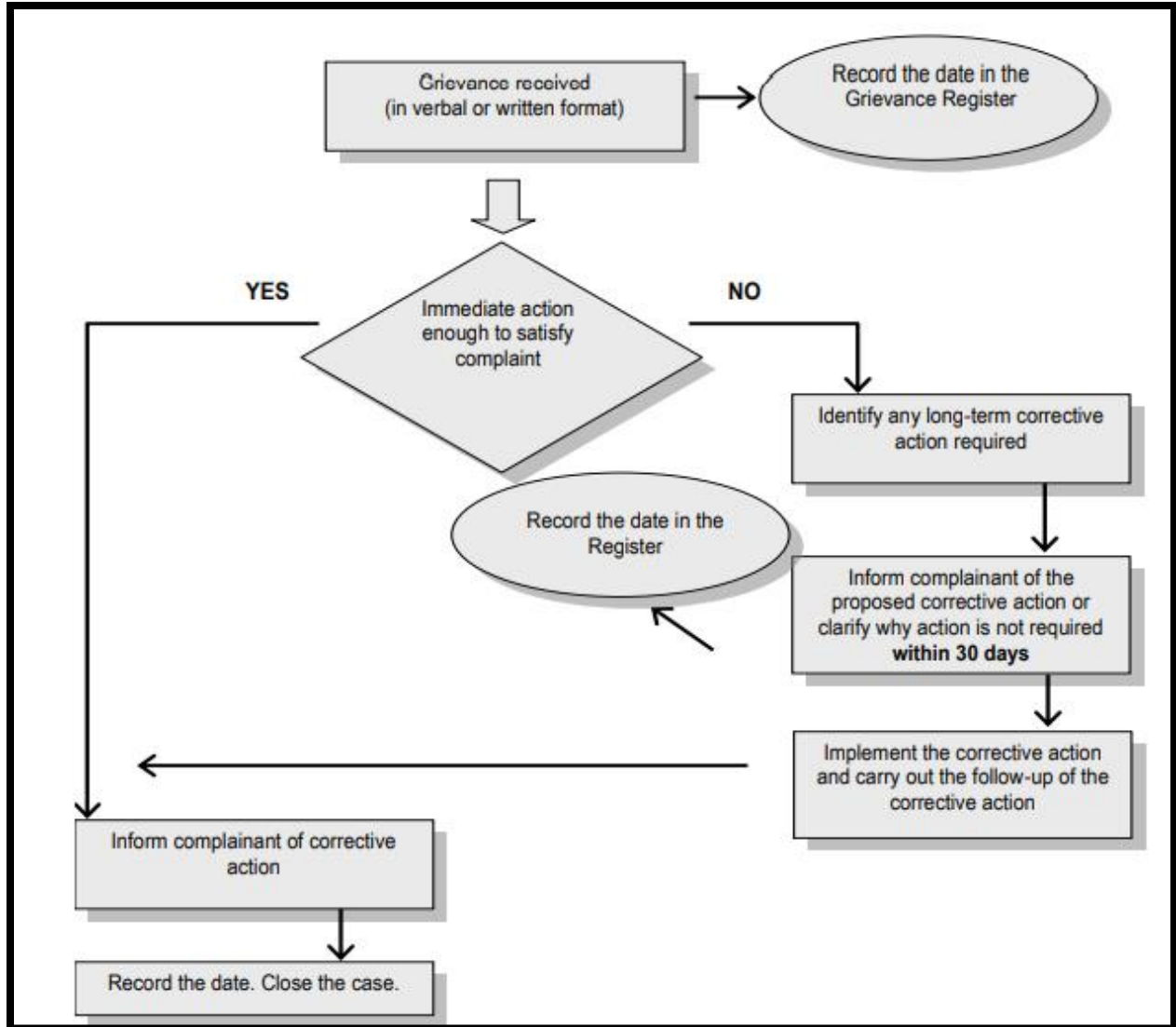


Figure 4 Grievance Mechanism

8. Monitoring and reporting

Implementation of the SEP activities and the grievance mechanism, along with the other management and action plans relevant to the Project implementation (ESMP, ESAP) shall be supervised by PIU on a quarterly and annual basis.

PE ZRSMI will be required to report to the lenders on environmental, health, safety and social performance of the Project in a reporting format that will be agreed additionally.

Monitoring and reporting represent the crucial steps in successful implementation and management of any successful stakeholder engagement plan. These activities need to be implemented in order to ensure full compliance with all stakeholders' expectations and requirements, which further contributes to successful implementation of the project. Thus, PE ZRSMI will be responsible for monitoring implementation of all stakeholder activities and processes, as defined in this Stakeholder Engagement Plan.

PE ZRSMI will monitor the development of stakeholder participation within the planned engagement activities. Through evaluation of outcomes and effect of engagement, PE ZRSMI intends to obtain regular feedback from stakeholders and to learn whether the planned outcomes are achieved or whether there is a need for a change of approach. PE ZRSMI will provide annual reports to EBRD, which will include a summary of the Project's performance on management of health, safety, environment, social issues and Register of Grievances.

Throughout the Project, PE ZRSMI will communicate with stakeholders and inform them of any significant issues, for example, changes in the project program deadlines, design, etc. All stakeholder engagement activities will be documented in the Stakeholder Engagement Register with attached copies of the minutes to preserve all records and documented confirmation of public consultations held and engagement measures implemented.

This SEP will be provided to the contractor prior to commencement of construction, whereby they are obliged, as part of the procurement documentation, to comply with the provisions of this SEP and implement the measures accordingly. On the other hand, implementation of SEP by the contractor will be monitored by the Supervision Consultant and PE ZRSMI (PIU) on a monthly basis. An Environmental and Social Lead appointed by the Contractor will be responsible for reporting and supervising environmental and social activities on site, stakeholder engagement and grievance management. Also, a Community Liaison Officer will be appointed by the Contractor to be responsible for supporting the implementation of the SEP, including participating in regular consultation with affected communities and handling grievances related to the Contractor's activities. These will subsequently report to the Investor on a monthly basis, providing all the relevant updates and inputs regarding implementation of this SEP and other corresponding environmental and social documentation, i.e. for recording and handling grievances. Finally, these monthly reports will be used by the PE ZRSMI to prepare regular reports to the international financing institution, as per the dynamics defined by the relevant financing body. A responsibility matrix is provided in Table 5 below.

Table 5. Monitoring and reporting activities

| Entity | Responsibility | Activity | Frequency |
|----------|--|--|-----------|
| PE ZRSMI | Monitoring implementation of SEP by the selected contractor. This activity will be implemented through regular | Revising monthly reports provided by the contractor. | Monthly |

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| Entity | Responsibility | Activity | Frequency |
|------------------------|--|---|--|
| | communication with the contractor. | | |
| | Reporting to the international financial institution about implementation of activities and processes defined in this SEP- | Reporting to the financial institution. | As per schedule defined by the relevant financial institution |
| Contractor | Implementation of activities and processes related to stakeholder engagement, as defined in SEP. | Duly and timely implementation of all the proposed stakeholder engagement activities and corresponding activities. | Regular monthly reports to the PE ZRSMI, with addition of reports on any unexpected/unplanned issues that may arise. |
| | Reporting to the PE ZRSMI about implementation of SEP and any potential arising issues. | Preparation of regular monthly reports about the stakeholder engagement processes and implementation of SEP. | Monthly |
| | Reporting about the grievances submitted via the grievance box on site. | Providing the PE ZRSMI with hard copies and/or scanned versions of the grievances submitted via the grievance box on site. The Contractor shall check the grievance box on a daily basis. | Regularly, as soon as the grievances are received. |
| Supervision Consultant | To supervise the activities of the Contractor related to SEP on a day-to-day basis. | Preparation of regular monthly reports about the supervision of the implementation of stakeholder engagement processes and implementation of SEP by the Contractor. | Monthly |

Update of SEP

This SEP is a 'living document' which will be updated periodically (at least once every six months) to record consultations undertaken, issues raised, actions taken; to describe lessons learned and any changes to the consultation process; and to outline the schedule for ongoing and future interaction. The Stakeholder Engagement Plan / SEP will be updated to address new issues (dilemmas, problems, etc.) arising from stakeholder engagement developments and the Project's progress.

The responsibility for updating of the SEP is within the working group assigned for stakeholder engagement and responsible person for communication and receiving the grievances.

9. Annex 1. List of national NGOs identified for the purposes of this project

Table 6. List of National and Local NGOs

| National NGOs | Contact Information |
|---|---|
| Macedonian Ecological Society (MES) | Address: <i>Archimedes</i> No. 5, 1000 Skopje The Republic of North Macedonia Tel: (02) 2402 773, Mob: (02) 078 393 436 Email: contact@mes.org.mk |
| The Ecologists' Movement of Macedonia (DEM) – Skopje | Vasil Gorgov 39, Shed 6, 1000 Skopje Tel: (02) 3220-520 Email: dem@dem.org.mk Email: ruska@dem.org.mk |
| Centre for environmental research and information "Eco-svest" – Skopje | Blvd 11 Oktomvri 125/12, 1000 Skopje Tel: (02) 3217-247 Fax: (02) 3217-246 Mob: (02) 072 726-104 Email: info@ekosvest.com.mk |
| Front 21/42 | Address: Orce Nikolov 83A, 1000 Skopje Tel/Fax: (02) 3122-546 mob: 075 433-231 Email: contact@front.org.mk |
| Macedonian Green Centre | Address: Kosta Novakovik 1A/19, 1000 Skopje Tel/Fax: (02) 6132-432 Mob: 078 205 217 Email: zeleni@zeleni.org.mk |
| Bird Study and Protection Society of Macedonia | Address: PMF - Gazi Baba BB, 1000 Skopje Tel: (02) 3117-055; 078/254-736 Email: brankom@ukim.edu.mk |
| Owl Protection Association | Address: Jurij Gagarin 28-5/3, 1000 Skopje Tel: (02) 070/999-859 Email: macedonian.owl.trust@gmail.com |

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| | |
|---|--|
| Center for Climate Change | Address: Kozle -2 /18, 1000 Skopje Tel: (02) 5208 330 e-mail: ckp.skopje@gmail.com |
| Local Non-governmental organisations | |
| Association of beekeepers | Joakim Osogovski no. 134 Kriva Palanka pcela.krpl@yahoo.com |
| Association of mountain sports RUEN Kriva Palanka | Marshal Tito no. 75, Kriva Palanka pskruen@yahoo.com |
| Center for Sustainable Development EGRI | Joakim Osogovski Kriva Palanka gcor.kp@gmail.com |
| Association of potato producers | Kalin Kamen nn velickovskamaja@gmail.com |
| Europe House Kriva Palanka Central point for connecting young people from the Northeast and East region | euinfo@euhouse.mk |

10. Annex 2. Template for Grievance Form

Table 7. Grievance Form

| | |
|---|---|
| <p>Data lodged:</p> <hr/> | <p>GRIEVANCE FORM</p> |
| <p>Remarks:</p> <hr/> | |
| <p>Information about the person submitting the grievance</p> | <p>If you do not want to provide the information from 1-3, simply move on to the subject and explanation of the grievance</p> |
| <p>1. Name</p> | |
| <p>2. Date, place, and manner of receipt</p> | |
| <p>3. E-mail and other contact data</p> | |
| <p>4. Scope of the grievance</p> | |
| <p>5. Detailed explanation of the subject of grievance (Traffic, Dust, Waste, Pollution, Land access, Working conditions, Contractor activities, Security, Damaged assets, crops, infrastructure, Land acquisition, other.)</p> | |
| <p>6. Detailed information</p> | |
| <p>Manner of responding to your grievance</p> <hr/> | |
| <p>Date _____</p> | |
| <p>Remarks _____</p> | <p>Please specify how you would like to be informed about the further course of the Project:</p> |
| <p>Processing of the grievance</p> | |
| <p>Administrative records</p> | |
| <p>Reviewed (date, responsible party/person)</p> | |
| <p>Answered (date, responsible party/person, and archive number)</p> | |