

Environmental and Social Data Sheet

Overview

Project Name:	MAIN ROADS REHABILITATION PROGRAM
Project Number:	20170211
Country:	Montenegro
Project Description:	Rehabilitation and improvement of approximately 180 km of main roads in Montenegro
EIA required:	Multi scheme, EIA only for one
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The project is consistent with the Sustainable Transport Development Strategy, 2018-2030, currently under preparation, which is subject to strategic environmental assessment.

The project comprises the following five schemes:

- Improvement of sections of the E-80 coastal corridor between Tivat and the port of Bar, with a total length of approximately 39 km.
- Rehabilitation of the E-762 link between Danilovgrad and Podgorica, with a total length of approximately 16 km.
- Rehabilitation of the E-65 corridor between Lepenac and the national frontier at Spiljani, with a total length of approximately 91 km.
- Rehabilitation of the E-763 link between Ribarevina and the Dobrakovo border with Serbia (excluding the border crossing and the Bijelo Polje bypass), with a total length of approximately 17 km.
- Rehabilitation of the M-8 highway link between Pljevlja and Mihajlovica at the border with Serbia, with a total length of approximately 16 km.

Four out of the five schemes consist of rehabilitation only, with only minor and localised alteration of the current footprint. If located in the EU, these schemes would not fall under the provisions of either Annex I or Annex II of the EU EIA Directive 2011/92/EU as amended. Under national legislation, they were subject to screening and the Competent Authority for the Environment has screened them out.

One scheme falls under the provisions of Annex I of the EIA Directive: the widening and upgrading of one 15.5 km long section on the E80, between Tivat and Budva, to a dual two-lane carriageway in a semi-urban environment. For this scheme, the Competent Authority for the Environment has required a regulatory EIA procedure; this will be performed later in 2018.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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Though the full extent of the residual impacts is not known at the stage of appraisal, given the type and scale of the investment, the residual impacts are expected to be low to moderate. The negative impacts will relate largely to land take, involuntary resettlement and some additional severance. The impacts and mitigants are to be assessed during the EIA and permitting procedure.

Environmental management measures during construction will be included in the contract conditions for works contractors and enforced by qualified third party supervision consultants.

No protected areas or monuments are affected by the project.

Road safety audits, consistent with the principles of the Road Safety Directive 2008/98/EC are to be performed on the final designs for each scheme.

The Promoter is known to the Bank and in the past has successfully implemented similar schemes financed by the Bank in compliance to EIB Principles and Standards.

Social Assessment

Some of the project schemes are expected to require limited amounts of land expropriation and may cause economic and/or physical displacement of affected households. The number of affected households will be determined during the finalisation of designs for each scheme. In general, the legislative framework for expropriation in Montenegro is broadly compatible with IFI policies (EBRD PR 5 and EIB Standard 6). However, in April 2016 as part of a previous EIB financed operation, the Promoter prepared a Resettlement Policy Framework (RPF), consistent with domestic law and EIB Standards. This RPF, suitably updated, will also be applied to this project. Subsequently, the Promoter will, in the event that involuntary resettlement arises for one or more schemes, prepare and implement individual abbreviated Resettlement Action Plans in accordance with the agreed RPF.

Public Consultation and Stakeholder Engagement

The EIA procedure for the section on the E80 between Tivat and Budva will include public consultation in line with domestic law and EIB/EBRD standards.

Conclusions and Recommendations

Due to the nature and scale of the schemes, the project is likely to have low to moderate adverse environmental and social impacts. The main social impact is related to the land expropriation and potential economic or physical displacement of affected households. No significant environmental impacts are expected and the mitigation measures to be undertaken as part of the project are expected to improve certain environmental aspects in comparison to the "without project" case, in particular in terms of reduction of local emissions in inhabited areas and road safety.

As the full extent of the impacts is not known and the mitigation measures not fully defined, the Bank shall condition disbursement of its financing on receipt of:

- A Resettlement Action Plan(s), if one is required in accordance with the Resettlement Policy Framework;
- For the scheme E80 section between Tivat and Budva, final version of the ESIA, non-Technical Summary and Environmental Consent as well as written opinion from the Competent Authority on the impacts of the scheme on nature conservation sites (Form A/B);
- Road Safety Audit (RSA) reports in line with the principles of the Road Safety Directive 2008/96/EC, together with the Promoter's confirmation that the



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recommendations will be implemented or justification for their exclusion and alternative solutions.

The Promoter will also be required to commit to implement all the schemes in line with the RPF and relevant RAPs as well as the relevant Environmental Decision.

Subject to the above conditions, the project is acceptable for financing by the Bank.