



Ministry of Agriculture, Forestry and Water Management

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

agreed at Project Appraisal Stage

Prepared for the

**Climate Resilient Fisheries and Agrifood Sector Development Project
(CRFASD)**

Montenegro

Project No. P507698

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Abbreviations and Acronyms

Abbreviation Full Meaning

ABP	Animal By-Product
AFSVPA	Authority for Food Safety, Veterinary and Phytosanitary Affairs
CAP	Common Agricultural Policy
CPF	Common Fisheries Policy
CRFASD	Climate Resilient Fisheries and Agrifood Sector Development Project
DfF	Directorate for Fisheries
DfP	Directorate for Payments
EHS	Environmental, Health, and Safety
EIA	Environmental Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESF	Environmental and Social Framework (World Bank)
ESIA	Environmental and Social Impact Assessment
ESS	Environmental and Social Standard
GBV	Gender-Based Violence
GM	Grievance Mechanism
IACS	Integrated Administration and Control System
IFC	International Finance Corporation
ILO	International Labor Organization
IPF	Investment Project Financing
LHSW	Law on Safety and Health at Work
LMP	Labor Management Procedure
MAFWM	Ministry of Agriculture, Forestry and Water Management
MIDAS	Montenegro Institutional Development and Agriculture Strengthening Project
MIDAS2	Second Montenegro Institutional Development and Agriculture Strengthening Project
MNE	Montenegro
MoF	Ministry of Finance
OHS	Occupational Health and Safety
PAD	Project Appraisal Document
PA	Paying Agency
PARO	Paying Agency Regional Office
POM	Project Operational Manual
PPE	Personal Protective Equipment
PMT	Project Management Team
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
TSU	Technical Services Unit
WB	World Bank
WG	Working Group
W-GRM	Workers' Grievance Redress Mechanism

Executive Summary

The Government of Montenegro, with support from the World Bank, is preparing the **Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD)** to strengthen institutions, enhance infrastructure, and improve service delivery in alignment with EU accession requirements. The Project builds on the achievements of MIDAS and MIDAS2 by scaling up investments and institutional reforms to support EU Chapters 11 (Agriculture and Rural Development), 12 (Food Safety, Veterinary and Phytosanitary Policy), and 13 (Fisheries).

The Project will be implemented during **2026–2030** with a total financing of **EUR 33 million (US\$ 37.6 million equivalent)**.

Project Components

- **Component 1: Fisheries Development and Institutional Readiness (Chapter 13).** Includes construction of a climate-resilient Fishing Port (FP) in Ulcinj and capacity building for the Directorate for Fisheries (DfF).
- **Component 2: Institutional Readiness for EU Accession (Chapters 11 & 12).** Establishment of a fully functional Paying Agency (PA), including new regional offices in Nikšić and Bar, and construction of a sustainable Animal By-Products (ABP) facility in Nikšić.
- **Component 3: Project Management.** Strengthening the Project Management Team (PMT) for fiduciary, safeguards, M&E, and citizen engagement.

Purpose of the ESMF

The **Environmental and Social Management Framework (ESMF)** is the overarching safeguard instrument for the Project. It:

- Defines procedures for **screening, assessing, and mitigating environmental and social (E&S) risks**;
- Provides the basis for preparing site-specific instruments (ESIAs, ESMPs, ESMP checklists, and RAPs);
- Ensures compliance with both **Montenegrin law** and the **World Bank's Environmental and Social Framework (ESF)**;
- Embeds **Good International Industry Practice (GIIP)** and EU directives;
- Serves as a **living document**, to be updated as project conditions, risks, or designs evolve.

Legal and Institutional Framework

Montenegro has a well-developed legal system for EIA, nature protection, water management, cultural heritage, and labor standards, aligned with EU directives. The ESMF complements this by ensuring that any **gaps with ESF requirements** are addressed (e.g., stakeholder engagement, land acquisition, biodiversity criteria, monitoring).

Applicability of the Environmental and Social Standards (ESS)

The ESMF assesses the relevance of all ten ESS to CRFASD. Key applications include:

- **ESS1:** All components and associated facilities; supplementary ESIA/ESMP required for FP associated facilities.
- **ESS2:** Labor Management Procedures (LMP) and OHS measures for construction and operation.
- **ESS3:** Resource efficiency, waste, and pollution control, particularly for the ABP facility.
- **ESS4:** Community health and safety (traffic, odors, zoonotic diseases, tourism-related impacts).
- **ESS5:** RPF prepared to address project-related land acquisition and restrictions on land use where needed.
- **ESS6:** Biodiversity protection measures for FP and screening for ABP siting.
- **ESS8:** Chance Finds Procedures for all construction activities.
- **ESS10:** SEP prepared, ensuring inclusive consultations and GRM accessibility, especially for vulnerable groups (e.g., Roma, seasonal workers).

Risks and Mitigation

The ESMF identifies risks associated with each component:

- **Fishing Port (FP Ulcinj):** Full EIA/ESMP completed under national law; however, gaps identified (biodiversity-sensitive alternatives analysis, water-quality monitoring, outdated consultations, etc) will be addressed via a **supplementary ESIA/ESMP**.
- **ABP Facility (Nikšić):** Key risks include odor, wastewater, biohazard exposure, and community health. Mitigation includes containment, wastewater treatment, OHS protocols, and infectious disease management.
- **PAROs (Nikšić & Bar):** Minor risks (dust, asbestos, access disturbance). Managed through CESMPs and OHS controls.

Cross-cutting tools include ESMPs, CESMPs, Traffic Management Plans, Waste Management Plans, Emergency Response Plans, and Biodiversity or Infectious Disease Management Plans where relevant.

Monitoring, Reporting, and GIIP

The ESMF requires continuous monitoring of water, air, biodiversity, labor, and community safety indicators. Monitoring results will be shared with stakeholders as part of the SEP. GIIP, EHSs, and EU directives guide technical standards (e.g., odor control, wastewater treatment, zoonotic disease prevention).

Institutional Arrangements – PMT and WGs

The **Project Management Team (PMT)** under MAFWM will oversee safeguards, supported by Working Groups:

- **PMT composition:** Project Manager, Senior Civil Engineer (part time), Senior E&S Specialist (part time), Social Development Specialist (full time), Civil Engineer (full time), ABP Specialist (full time), and Senior M&E Specialist.
- **Responsibilities:** implement and monitor safeguard instruments, oversee contractors, ensure stakeholder engagement, maintain the GRM, and coordinate with line ministries and local authorities.

- **Working Groups:** (i) FP-WG with Directorate for Fisheries and Ulcinj Municipality, and (ii) ABP-WG with AFSVPA and local governments.

Exclusion List

The Project will not finance activities that:

- Affect critical habitats or protected areas;
- Cause physical or economic displacement without ESS5-compliant RAPs;
- Involve hazardous substances, child/forced labor, or IFC-excluded activities.

Conclusion

The CRFASD ESMF provides a clear framework to ensure environmental sustainability, social inclusion, and ESF compliance. It will remain a **living document**, updated as needed to address new risks, PAD adjustments, or lessons learned, ensuring that Montenegro's fisheries and agrifood development proceeds in a climate-resilient, inclusive, and EU-aligned manner.

1. Introduction¹

Montenegro's fisheries and agrifood sectors are vital to the country's rural and coastal economy, food security, and sustainable livelihoods. They contribute to employment, income generation, and access to nutritious food, particularly in regions where alternative economic opportunities are limited. However, the sectors continue to face constraints, including limited competitiveness, outdated infrastructure, fragmented value chains, weak public service delivery, and growing vulnerability to climate change.

To address these challenges and support progress toward European Union (EU) accession, the Government of Montenegro, with support from the World Bank, is preparing the Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD). The Project builds on the achievements of the MIDAS and MIDAS2 projects, which supported the establishment of EU-aligned frameworks such as the Paying Agency (PA) and the Integrated Administration and Control System (IACS). MIDAS2 also financed upstream work for CRFASD, including feasibility studies, detailed designs, business plans, and environmental and social due diligence for priority investments.

The CRFASD will scale up and consolidate these achievements by financing Investments across three interlinked components, two technical components and a project management component, including both infrastructure (hard) investments and institutional (soft) support.

Component 1: Fisheries Development and Institutional Readiness (EU Chapter 13).

This component focuses on strengthening climate resilience and the productive capacity of Montenegro's fisheries sector. A new climate-resilient Fishing Port (FP) will be constructed at Cape Đeran–Velika Plaža in Ulcinj, equipped with docking, hygienic handling areas, cold storage, ice production, boat maintenance, and power infrastructure. The port will be designed to withstand climate-related risks and will include an inclusive governance model to ensure women's participation in management. Alongside infrastructure, technical assistance and training will help fishers improve post-harvest handling, hygiene, food loss reduction, and market access.

In parallel, the Directorate for Fisheries (DfF) will be strengthened to align with the EU Common Fisheries Policy. Activities include digitalization of the fishers' registry, preparation of secondary legislation and strategic documents, provision of equipment and vehicles for inspectors, and capacity building in climate risk management, EU compliance, and catch monitoring. Fisher associations will also be supported to adapt to CFP requirements and integrate more effectively into formal markets.

Component 2: Institutional Readiness for EU Accession (EU Chapters 11 & 12).

This component supports Montenegro in meeting EU standards in agriculture, rural development, and food safety, while also addressing climate resilience and methane reduction.

Under Sub-component 2.1, the Directorate for Payments (DfP) will be transformed into a fully accredited Paying Agency (PA), supported by the construction of new regional offices in Nikšić and Bar. These offices will be built with climate-resilient and universally accessible designs. The component will also finance ICT systems, equipment, upgrades to the Integrated Administration and Control System (IACS), and regulatory and strategic documentation. Staff of the PA and the Ministry of Agriculture, Forestry and Water Management (MAFWM) will benefit from inclusive, gender-responsive training to improve service delivery and accreditation readiness.

¹ The project description has been prepared based on information available during project preparation, including draft Project Appraisal Document (PAD) materials and official inputs from the Ministry of Agriculture, Forestry and Water Management (MAFWM). The PAD itself will be finalized during Negotiations and disclosed publicly only after Board approval in line with World Bank procedures. (<https://www.gov.me/mpsv>).

Under Sub-component 2.2, a sustainable, EU-compliant system for Animal By-Product (ABP) management will be established. This includes construction of a climate- and disaster-resilient ABP facility in Nikšić, provision of specialized vehicles and ICT systems, and training for veterinary and food safety authorities (AFSVPA). A national traceability and tracking system for animal by-products will be introduced, complemented by a public awareness campaign. By ensuring safe disposal and valorization of animal waste, the facility will reduce public health risks and contribute significantly to methane emissions reduction.

Component 3: Project Management.

This component ensures effective and accountable implementation of the CRFASD. The Project Management Team (PMT) under MAFWM will be strengthened with dedicated specialists, including a full time Civil Engineer, full time Social Development Specialist, and full time ABP Specialist. The PMT will oversee daily coordination, fiduciary management, and compliance with the World Bank Environmental and Social Framework (ESF). It will also manage monitoring and evaluation systems with climate and gender indicators, external audits, grievance redress, and citizen engagement mechanisms, building on lessons from MIDAS2. Training for PMT staff will further reinforce capacity in climate resilience, safeguards, and gender equality.

Together, these components form a comprehensive program to modernize Montenegro's fisheries and agrifood systems, safeguard environmental and social sustainability, and strengthen institutional capacity for EU accession. A detailed description of components and sub-components is provided in Section 2.1 of this ESMF (Check table 1).

The Project will be financed through an IBRD loan of EUR 33 million (US\$ 37.6 million equivalent) and implemented during 2026–2030. It is aligned with Montenegro's Strategy for Agriculture and Rural Development (2023–2028), the Fisheries Strategy and Action Plan (2024–2029), and the National Strategy for Sustainable Development until 2030 (NSSD). It also contributes to Montenegro's international commitments under the Paris Agreement and the EU Green Agenda for the Western Balkans, by enhancing climate resilience, reducing greenhouse gas emissions, and promoting sustainable fisheries and agrifood infrastructure. While interventions will be concentrated particularly in the municipalities where investments will take place — such as Ulcinj, Nikšić, and Bar — access to the improved services and facilities, especially the Animal By-Products (ABP) facility, will be available at the national level.

The project is being prepared and will be implemented in accordance with the World Bank's Environmental and Social Framework (ESF)². To ensure consistency with the ESF requirements and national legislation, an Environmental and Social Management Framework (ESMF)³ has been developed to guide the identification, assessment, and management of environmental and social risks and impacts associated with all project activities.

In line with the provisions of Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts, as well as ESS2: Labor and Working Conditions, ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, and ESS10: Stakeholder Engagement and Information Disclosure, the following key framework documents have been prepared to support the overall environmental and social risk management of the Project:

- **Environmental and Social Management Framework (ESMF)**
- Resettlement Policy Framework (RPF)

² The ESF is accessible at - <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>. Latest accessed on November 3, 2022.

³ This ESMF will be updated as necessary in the event of any material changes to the project description, scope of activities, or environmental and social risk profile during the project cycle, subject to World Bank review and clearance.

- Labour Management Procedures (LMP)
- Stakeholder Engagement Plan (SEP)

These instruments collectively establish the environmental and social management approach for the project and provide practical guidance for ensuring compliance with national legal requirements and the World Bank ESF throughout the project lifecycle.

1.1. PURPOSE OF THE ESMF

This Environmental and Social Management Framework (ESMF) is the guiding document for environmental and social risk assessment and management under the CRFASD Project. It has been prepared in full compliance with the World Bank's Environmental and Social Framework (ESF) as per the guidance of Environmental and Social Standard 1 (ESS1): *Assessment and Management of Environmental and Social Risks and Impacts (ESS1, p 24)*.

The ESMF ensures that environmental and social risks associated with the investments are identified, assessed, and proposes suitable mitigation measures to manage these risks and impact, in a structured and transparent manner, aligned with both Montenegrin legislation and the World Bank ESF. The framework approach has been adopted for all investments for which design documentation is either in preparation or is still to be prepared under this project. This ESMF will be updated as necessary in the event of any material changes to the project description, scope of activities, or environmental and social risk profile during the project cycle, subject to World Bank review and clearance.

The ESMF also complements and should be read together with other key safeguard instruments prepared under CRFASD, including:

- The **Stakeholder Engagement Plan (SEP)**,
- The **Resettlement Policy Framework (RPF)**
- The **Environmental and Social Commitment Plan (ESCP)**, and
- The **Labor Management Procedures (LMP)**.

The ESMF is a living document and will be updated, as necessary, throughout Project implementation to reflect evolving project conditions, legal developments, lessons learned, and updated World Bank guidance.

1.2. APPLICATION OF THE ESMF TO PROJECT COMPONENTS

This Environmental and Social Management Framework (ESMF) applies to all components and activities financed under the Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD). It covers:

- **Hard investments**, including the construction of key infrastructure such as the Fishing Port in Ulcinj, the Animal By-Product (ABP) Facility in Niksic, and the construction/reconstruction of Paying Agency Regional Offices (PAROs) in Niksic and Bar; and
- **Soft investments**, including technical assistance, capacity building, institutional strengthening, system modernization, and policy and regulatory support.

The ESMF establishes the overarching procedures, principles, and tools for the identification, assessment, management, and monitoring of environmental and social (E&S) risks and impacts across the entire CRFASD Project. It serves as the primary framework for ensuring the application of the World Bank Environmental and Social Framework (ESF) and complements Montenegrin legislation in areas where national requirements do not

fully address ESF provisions. Specifically, the ESMF provides a methodological framework for the preparation of site-specific instruments—such as Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs)—once final technical designs and locations are confirmed.

It also guides risk management for subprojects where designs or sites, including associated facilities, are not yet defined, through the application of screening tools, exclusion criteria, and interim mitigation measures. In addition, the ESMF ensures that technical assistance and institutional support activities are designed and implemented in line with the objectives and principles of the World Bank Environmental and Social Framework (ESF), thereby preventing the generation of downstream environmental and social risks.

The ESMF remains applicable throughout project stages and serves to oversee:

- **Project-wide environmental and social risk management**, ensuring consistency and compliance across all components;
- **Activities that do not require site-specific instruments or a full ESIA**, but still require adherence to E&S standards and good practice;
- **The identification and management of new or emerging risks** that may arise during implementation due to design changes, unforeseen impacts, or additional activities;
- **The preparation of supplementary instruments, where required**, to ensure that site-specific ESIAs/ESMPs fully cover associated facilities and maintain alignment with the World Bank ESF and national requirements; and
- **Application of the World Bank Interim Guidance Note on Protected Areas**, ensuring that any activities located within or near protected areas incorporate enhanced due diligence, stakeholder engagement, and biodiversity conservation measures consistent with ESS6 and international best practice.

1.3. SCOPE OF ESMF APPLICATION

This Environmental and Social Management Framework (ESMF) applies throughout the entire lifecycle of the Climate Resilient Fisheries and Agrifood Sector Development (CRFASD) Project — from project preparation, through implementation, until project completion and closure.

As per the national legislation requirements, The Fishing Port and ABP facility falls under the List I of National EIA legislation that requires Full EIA. Whereas PAROs does not fall under either the List 1 and 2 and will not require EIA under National legislation. So far, a full EIA has been prepared and disclosed only for the FP Ulcinj, and Environment permit/consent has been obtained by EPA. However, the scope of the EIA excluded assessment of associated facilities (e.g., access roads, utility connections) and did not fully integrate biodiversity criteria into the alternatives analysis or provide a comprehensive framework for water-quality and biodiversity monitoring. Based on the guidance of this ESMF, these gaps will be addressed through a supplementary ESIA/ESMP once detailed designs (under preparation) are finalized, to ensure full compliance with ESF requirements.

The proposed ABP facility shall be screened for E&S risks followed by preparation of a full ESIA and ESMP as per the guidance of this ESMF, and should comply to national legislation and ESF requirements.

For complex investments with substantial ES risks and impacts, such as the FP and the ABP facility, the full ESIA and ESMP—will integrate also relevant provisions from the World Bank Group Environmental, Health, and Safety Guidelines (EHSs), Good International Industry Practice (GIIP), and applicable ESSs outlined in Table 3 in this ESMF. The relevant National legislation requirements and ESS provisions are presented in detailed in chapter 3. Once site-specific environmental and social instruments are prepared, disclosed, consulted upon, and formally adopted for individual subprojects, they will guide the management of risks and impacts related to those specific activities.

Through this approach, the ESMF ensures systematic, proactive, and transparent environmental and social management across all components and phases of the CRFASD Project, maintaining alignment with both national and World Bank requirements. Through this approach, the ESMF ensures systematic, proactive, and transparent environmental and social management across all components and phases of the CRFASD Project, maintaining alignment with both Montenegrin legislation and the World Bank ESF. In particular, the ESMF:

- Guides the preparation of site-specific instruments (ESIAs, ESMPs) once detailed designs and locations are confirmed;
- Complements the ESIA already prepared for the FP in Ulcinj, ensuring ongoing alignment with the ESF during design, construction, and operation;
- Establishes screening and exclusion criteria to identify risks and manage subprojects where locations or designs (including associated facilities) are not yet defined;
- Ensures that activities not subject to a full ESIA are still managed in line with ESF objectives and good international practice;
- Defines institutional roles and responsibilities for environmental and social risk management;
- Provides guidance for integrating E&S requirements into procurement, including adaptation of World Bank Standard Procurement Documents (SPDs);
- Outlines provisions for stakeholder engagement, grievance redress, capacity building, monitoring, and reporting; and
- Sets out an indicative budget for environmental and social management measures.

The detailed applicability of each **Environmental and Social Standard (ESS)** to the CRFASD Project is provided in **Chapter 3, section 3.2.2** of this ESMF.

2. Project Description

The project development objective (PDO) is to strengthen Montenegro's public institutions in the fisheries and agrifood sector for improved service delivery and readiness for EU accession.

Progress toward the PDO will be measured through the following indicators:

- (a) PDO Indicator 1: Fishers reached with improved services⁴ at the new FP established in Ulcinj municipality (Male/Female fishers, Number).
- (b) PDO Indicator 2: Increased share of payments processed by the PA in accordance with EU procedures (percentage)
- (c) PDO Indicator 3: Quantity of animal by-products processed at the ABP facility established (ton).

Disclaimer: The Project Development Objective (PDO), project components, and site selections described herein are based on the information available at the time of preparation of this document. Final design elements are still under refinement between the Government of Montenegro and the World Bank Task Team. Adjustments may occur before the Project's appraisal and formal approval.

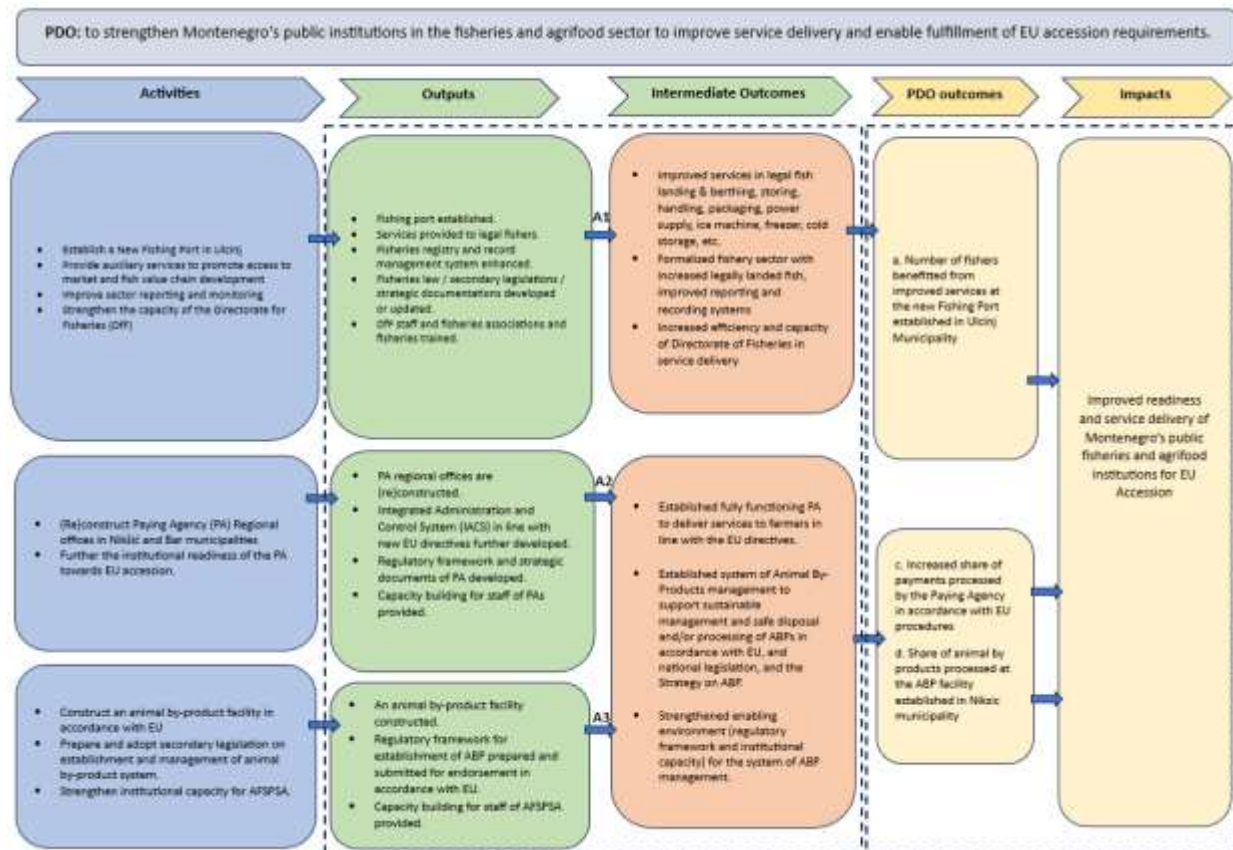


Figure 1: Theory of Change

⁴These are services offered to fishers to effectively put good on-board handling practices that maintain quality and reduce waste into place, including legal fish landing & berthing, storing, handling, packaging, power supply, ice machine, freezer, cold storage.

2.1. PROJECT COMPONENTS

The CRFASD will scale up and consolidate these achievements by financing investments across three interlinked components, two technical components and a project management component, including both infrastructure (hard) investments and institutional (soft) support:

Table 1: CRFADS Project components and subcomponents

Component / Sub-component	Objective	Key Activities
Component 1: Fisheries Development and Institutional Readiness for EU Accession (Chapter 13)	Enhance climate resilience and productive capacity of the fisheries sector through climate-resilient infrastructure and strengthened capacity of the Directorate for Fisheries (DfF).	
Sub-component 1.1: Climate Resilient Fisheries Infrastructure Development	Establish a climate-resilient Fishing Port (FP) at Cape Đeran–Velika Plaža (Ulcinj Municipality) and strengthen fishers' capacity for value addition and market access.	<ul style="list-style-type: none"> • Construction of a multi-use FP providing docking for commercial fishing vessels, recreational boats, and tourist day boats. • Auxiliary facilities including hygienic landing/handling areas, packaging, cold storage/freezers, ice production, boat maintenance/repair, and power supply infrastructure. • Climate-resilient civil works using marine-grade concrete, corrosion-resistant materials, fender systems, and fire suppression systems to safeguard against floods, storms, and sea-level rise. • Technical Assistance (TA) for construction supervision and implementation of an Operations & Maintenance (O&M) and governance model, ensuring inclusive participation of women in FP management. • Capacity building for fishers on post-harvest handling, food loss reduction, hygiene/quality standards, adaptation to extreme climate events, and access to higher-value markets.
Sub-component 1.2: Strengthening DfF's Capacity for EU Compliance	Strengthen DfF's administration, inspection, and control capacities in line with the EU Common Fisheries Policy (CFP).	<ul style="list-style-type: none"> • Upgrade and digitalization of the fishers' registry and record-keeping system to ensure compliance with EU IUU (Illegal, Unreported, Unregulated) fishing requirements. • Development of strategic documents, secondary legislation, and by-laws aligned with the CFP. • Mid-term and final evaluations of the Fisheries Strategy and Action Plan (2024–2029). • Provision of office/IT equipment and vehicles for fisheries inspectors to improve field-based inspection and monitoring. • Training and capacity building for DfF staff and inspectors (flexible formats: in-person, online, hybrid), including modules on climate risk management, EU regulatory compliance, and Catch Per Unit Effort (CPUE) monitoring methods. • Support to fisher associations in applying CFP rules and improving access to formal markets.
Component 2: Institutional Readiness for EU Accession (Chapters 11 & 12)	Support Montenegro's compliance with EU accession requirements in agriculture, rural development, and food safety; strengthen climate resilience; and reduce methane emissions through sustainable animal by-product management.	
Sub-component 2.1: Establishment of a Fully Functional Paying Agency	Strengthen the Directorate for Payments (DfP) into a fully accredited Paying Agency	<ul style="list-style-type: none"> • Construction/reconstruction and equipping of new Paying Agency Regional Offices (PAROs) in Nikšić and Bar, with climate-resilient and universally accessible

	(PA) with a continuously upgraded and functional IACS.	<p>designs (elevated foundations, structural reinforcement, ramps/elevators).</p> <ul style="list-style-type: none"> • Procurement of ICT systems, office equipment, and furniture. • Continuous upgrade and integration of the Integrated Administration and Control System (IACS). • Development of regulatory framework and strategic documents for PA operations. • Capacity building of PA/MAFWM staff through inclusive and gender-responsive training (flexible schedules and formats). • Implementation of the PA action plan for rural measures and accreditation.
Sub-component 2.2: Establishment of a System for Management and Safe Disposal of Animal By-Products (ABPs)	Establish a sustainable, EU-compliant system for ABP management and safe disposal, reducing methane emissions and improving public and animal health.	<ul style="list-style-type: none"> • Construction of an ABP facility in Nikšić with disaster- and climate-resilient design (elevated and protected critical systems: electrical, processing, cooling). • Procurement of ICT infrastructure, office equipment, and specialized energy-efficient vehicles and machinery for ABP collection and disposal. • Capacity building for AFSVPA staff in biosafety, traceability, and inspection. • Development and implementation of livestock traceability and ABP tracking registers. • Public awareness campaign on safe ABP management, environmental protection, and compliance with EU food safety standards. • Creation of a secure national system for animal waste disposal, enabling recycling into valuable products and contributing to methane reduction.
Component 3: Project Management	Support project management, coordination, and fiduciary oversight to ensure effective implementation and ESF compliance.	<ul style="list-style-type: none"> • Strengthening the Project Management Team (PMT) with additional specialists: full-time Civil Engineer, full-time Social Development Specialist, and ABP Specialist. • Financing of staffing, consultancy services, operating costs, and fiduciary functions. • Oversight of ESF compliance, safeguards, and Occupational Health and Safety (OHS). • Monitoring & evaluation, including sex-disaggregated indicators and climate/gender outcomes. • External audits, accountability systems, grievance redress, and citizen engagement mechanisms (building on MIDAS2's Beneficiary Feedback Mechanism). • Training and capacity building for PMT staff on climate resilience, ESF requirements, and gender equality.

2.2. PROJECT LOCATIONS

The identified project locations correspond primarily to hard infrastructure investments. Major infrastructure investments supported by the CRFASD include the FP in Ulcinj, the ABP facility in Niksic, and the PAROs in Niksic and Bar.

For all subprojects that may be subject to changes in site location during detailed design, or where auxiliary infrastructure may be required (particularly for large and complex infrastructure such as the ABP Facility and the FP in Ulcinj), the Exclusion List criteria outlined in this ESMF (see Annex 4/B and Annex 5 – CRFASD Project Exclusion List) will be applied. This will ensure that environmental and social screening is conducted at an early stage, that only eligible investments proceed, and that potential high-risk activities—especially those related to site characteristics—are avoided.

Site-specific Environmental and Social Impact Assessments (ESIAs) and/or Environmental and Social Management Plans (ESMPs) will be prepared for all eligible infrastructure investments under the project in full accordance with the World Bank Environmental and Social Framework (ESF) and Montenegrin national legislation. The decision on the risk commensurate management instrument for each specific location will be informed by site specific screening once the design is mature enough, while integrating the design with the risk assessment to allow implementation of the mitigation hierarchy.

For complex investments with substantial ES risks and impacts, such as the Fishing Port and the Animal By-Products (ABP) facility, the full ESIA and ESMP—will integrate also relevant provisions from the World Bank Group Environmental, Health, and Safety Guidelines (EHSGs), Good International Industry Practice (GIIP), and applicable ESSs, particularly:

ESS1: Assessment and Management of Environmental and Social Risks and Impacts,

ESS2: Labor and Working Conditions,

ESS3: Resource Efficiency and Pollution Prevention and Management,

ESS4: Community Health and Safety,

ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement,

ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, and

ESS10: Stakeholder Engagement and Information Disclosure

In addition, considering the potential proximity of FP project activities to sensitive ecosystems and conservation areas, the ESIA and ESMP will also take into account the provisions of the World Bank Interim Guidance Note on Managing the Risks of Projects Involving Protected Areas (January 2025), which provides specific requirements for projects affecting or located near protected and high-biodiversity areas.

The ABP ESIA will assess risks related to biosafety, odor emissions, wastewater and waste management, occupational health and safety, community exposure, and transport of hazardous materials, while also defining robust mitigation and monitoring measures. Stakeholder consultations will be an integral part of the process, ensuring that local communities, vulnerable groups, and relevant authorities are meaningfully engaged and informed on both site selection and the risks and impacts during construction and operation. And will integrate identification and mitigation measures for risks and impacts falling disproportionately on individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable;

Table 2: Summary Table of Project Locations and Activities

Location	Project Activity
Ulcinj <i>The new Fishing Port will be constructed in the area of Cape Đeran and Velika Plaža</i>	<i>Construction of Fishing Port</i>
Nikšić	<i>Construction of ABP Facility</i>
Nikšić	<i>Construction of a new PARO</i>
Bar	<i>Reconstruction of existing PARO</i>

2.3. PROJECT EXCLUSION LIST AND JUSTIFICATION

Given that a site-specific Environmental and Social Impact Assessment (ESIA) can only be developed after final feasibility studies and technical designs have commenced, it is important that under the ESMF has robust interim environmental and social safeguards in place during the early project implementation phases.

To this end, the Environmental and Social Management Framework (ESMF) establishes a clear Exclusion List to guide the screening and early selection of project activities (see Annex 4 and Annex 5). The purpose of the Exclusion List is to ensure that no activity under the Project creates unacceptable environmental and social risks before site-specific E&S instruments are prepared and approved. This approach is fully aligned with Montenegro's national EIA legislation and with the requirements of the World Bank Environmental and Social Framework (ESF), **which extend this obligation also to associated and auxiliary infrastructure**. In particular, the Exclusion List supports compliance with ESS1: Assessment and Management of Environmental and Social Risks and Impacts, ESS3: Resource Efficiency and Pollution Prevention and Management, and ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

The CRFASD Project Exclusion List, excludes the financing or implementation of any activity that:

- May cause long-term, permanent, irreversible adverse impacts, particularly affecting sensitive or critical natural habitats;
- Has a high probability of causing serious adverse effects on human health and/or the environment;
- May generate significant adverse social impacts, including risks of social conflict or loss of livelihoods;
- Involves forced labor, harmful child labor, or any labor practices inconsistent with ESS2;
- Adversely affects cultural heritage sites, unless retrofitting or conservation measures are carried out within legally permitted frameworks;
- Leads to significant conversion or degradation of critical habitats, threatens endangered species, or undermines the sustainable management of living natural resources (ESS6).

The adoption of the Exclusion List is a key risk management measure to maintain the Project's overall environmental and social risk rating at Substantial or lower. It ensures that activities likely to trigger higher risk categorization are systematically excluded, while allowing the Project to proceed with detailed site-specific ESIAs, ESMPs, RAPs and other necessary instruments developed, disclosed, and adopted. (Annex 5 – CRFADS Project Exclusion List)

2.4. PROJECT E&S RISK RATING

The CRFASD project has been screened under the World Bank's Environmental and Social Framework (ESF), and the overall environmental and social (E&S) risk rating is assessed as **Substantial**. This reflects the nature, scale, and sensitivity of the planned infrastructure investments and institutional reforms, as well as the current capacity of the Project Management Team (PMT). The PMT—an experienced and well-performing team that has successfully managed the implementation of the MIDAS and MIDAS2 projects—will continue to support the implementation of CRFASD, reinforced with additional staff to respond to the diversity and complexity of this project.

The project includes the construction of Montenegro's first climate-resilient FP in Ulcinj, a national animal by-product (ABP) facility in Niksic, and the construction of a new Paying Agency Regional Offices (PARO) in Nikšić and

Reconstruction of the existing PARO in Bar. These civil works and associated operational activities are expected to generate a range of E&S risks and impacts, including but not limited to:

- **Construction-phase risks:** Noise, dust, vibration, traffic disruptions, marine habitat degradation, and management of dredged materials (particularly in Ulcinj port construction), including potential health risks to workers and communities from contaminated sediments, hazardous materials exposure, and improper disposal. Additional risks include occupational health and safety (OHS) hazards, influx of labor, and construction-related waste.
- **Operation-phase risks:** At the ABP facility, these include wastewater discharge, pathogen exposure, odor generation, methane emissions, and risks associated with improper handling and processing of animal waste. The fishing port may also pose risks related to port traffic, fuel spills, and marine biodiversity degradation if not properly mitigated.
- **Land acquisition.** There is a strong intention for all infrastructure investments, including the construction of the Fishing Port and ABP facility, to be executed on state-owned land. However, the need for associated facilities—such as access roads, utility connections, and auxiliary infrastructure for Ulcinj port—may give rise to involuntary resettlement impacts⁵, unforeseen at this stage. These may include temporary access restrictions, potential displacement of informal users, or adverse effects on livelihoods during construction.
- **Biodiversity:** Project activities, particularly at the Ulcinj Fishing Port, may affect coastal and marine ecosystems if not carefully managed. While no direct impacts on designated critical habitats are expected, biodiversity risks will be managed in line with ESS6, applying strict mitigation measures to avoid conversion or degradation of sensitive habitats, protect endangered species, and ensure the sustainable management of marine resources. In addition, considering the proximity of project activities to sensitive ecosystems and conservation areas, the ESIA and ESMP should also take into account the provisions of the World Bank Interim Guidance Note on Managing the Risks of Projects Involving Protected Areas (January 2025), which provides specific requirements for assessing, mitigating, and monitoring risks in and around protected and high-biodiversity areas.
- **Cultural heritage:** Although no significant impacts on known cultural heritage sites are anticipated, activities involving earthworks and marine operations may uncover previously unidentified archaeological or cultural assets. To address this, the project will apply chance finds procedures and follow relevant measures in accordance with ESS8: Cultural Heritage.
- **Inclusion risks:** There is a risk of excluding vulnerable groups (e.g., women, youth, Roma communities, persons with disabilities) from access to project benefits, services, and consultations. If unaddressed, this could exacerbate existing inequalities in the fisheries and agrifood sectors.

To address the above risks, the following environmental and social risk management measures will be implemented:

- **Exclusion list and Screening procedures** for all hard and soft activities supported by the project to avoid downstream E&S risks
- **Environmental and Social Assessment (ESIA)** and site-specific **Environmental and Social Management Plans (ESMPs)** will be prepared for all infrastructure works, in line with ESS1 and Montenegrin law. These instruments will define mitigation measures, monitoring protocols, and institutional responsibilities.

⁵ Project-related land acquisition¹ or restrictions on land use² may cause physical displacement (relocation, loss of residential land, or loss of shelter), economic displacement (loss of land, assets, or access to assets leading to loss of income sources or other means of livelihood),³ or both. The term “involuntary resettlement” refers to these impacts

- **Labor Management Procedures (LMPs)** will guide the treatment of all project workers—direct and contracted. These will include OHS standards for all identified risks, codes of conduct, grievance mechanisms, and protocols for preventing child or forced labor, in line with ESS2.
- **Community Health and Safety (CHS) protocols** will be incorporated into ESMPs to manage traffic safety, communicable disease risks, site security, and safe materials handling, following ESS4.
- **Waste and pollution control measures (ESS3)** will be applied to reduce emissions, improve wastewater management/treatment, and ensure safe handling of hazardous substances, especially at the operation stage of the ABP facility and during FP construction and operation.
- **Stakeholder Engagement Plan (SEP)** will ensure continuous, inclusive, and gender-responsive consultations throughout the project lifecycle, in line with ESS10. Mechanisms such as town halls, CSO coordination, online portals, and media campaigns will facilitate transparency and accountability.
- **Grievance Redress Mechanism (GRM):** A project-level GRM, adapted from the MIDAS2 model, will be established and enhanced into a broader **stakeholder feedback mechanism**. It will handle complaints from local communities, laborers, and other stakeholders.
- **SEA/SH Risk Mitigation:** Although SEA/SH risk is assessed as Low, project-specific prevention protocols—including worker training, codes of conduct, and female focal points—will be put in place, aligned with ESS2 and ESS4. Both, the GRM and the Worker’s grievance mechanism will be equipped to handle SEA/SH complaint.
- **Climate Resilience:** All infrastructure will incorporate low-carbon, climate-resilient design standards such as elevation, reinforced structures, and energy-efficient systems (e.g., LED lighting, HVAC upgrades), supporting adaptation under the Paris Agreement and aligned with ESS3 and ESS6.

Table 3: Identification of Relevant Environmental and Social Standards (ESS) to CRFASD Project Components

Applicable Standard	Relevance to CRFASD Project Activities
ESS1: Assessment and Management of Environmental and Social Risks and Impacts	Applies to all project components involving infrastructure (e.g., fishing port in Ulcinj, ABP facility in Nikšić, PA Regional Offices in Bar and Nikšić) and institutional reforms. Comprehensive ESIAs and ESMPs will be prepared to assess and mitigate risks across Components 1, 2, and 3. The screening, assessment, and management of environmental and social risks for all project activities, particularly those subprojects whose specific locations or designs are not yet finalized—as well as for associated facilities that are functionally linked to the overall project. For activities already defined by design, site-specific ESMPs/ESIAs will be prepared/revised following the guidance set out in this ESMF. An Environmental and Social Commitment Plan (ESCP) has been prepared and will be disclosed, committing the Borrower to implement the required environmental and social risk management measures.
ESS2: Labor and Working Conditions	Relevant for Components 1 and 2 where direct and contracted workers will be engaged in construction of the fishing port, ABP facility, and PA offices. Also applies to PMT staff and consultants under Component 3. Labor Management Procedures (LMP) will ensure fair and safe working conditions.
ESS3: Resource Efficiency and Pollution Prevention and Management	<p>Highly relevant for Component 2.2 (ABP facility) and Component 1.1 (cold storage and hygienic infrastructure at fishing port), where risks include wastewater generation, organic waste, and energy consumption. Resource-efficient technologies and pollution control systems will be integrated into design.</p> <p>The CRFASD Project includes activities that will use energy, water, and materials, and may generate wastes (e.g., during construction of fisheries infrastructure, the ABP facility, and upgrading existing facilities). The ESMF integrates ESS3 requirements into the screening process. Subprojects with significant resource inefficiency or pollution risks may be excluded or subject to stricter risk mitigation requirements.</p> <ul style="list-style-type: none"> • Exclusion criteria have been established to avoid subprojects that would: <ul style="list-style-type: none"> ○ Result in excessive water extraction from sensitive ecosystems or areas with water scarcity; ○ Use outdated or highly polluting equipment and technologies; ○ Generate hazardous waste without feasible and sustainable disposal options. • GIIP and EHSR are referenced as mandatory minimum performance benchmarks for subproject design and implementation. • For each eligible subproject, site-specific ESMPs (or ESIA where necessary) will include resource efficiency measures, waste management protocols, and pollution control actions.

	Contractors will be required to apply waste reduction, energy conservation, and pollution prevention measures aligned with GIIP and national law.
ESS4: Community Health and Safety	Applies to Components 1 and 2 due to risks from increased traffic, noise, and dust during construction, especially in populated areas. Also applies to potential public health risks from ABP facility operation and marine works. CHS protocols will be included in ESMPs. A Labor Management Procedures (LMP) has been prepared for the CRFASD Project.
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant to Component 1 and 2. There is a strong intention for all infrastructure investments, including the construction of the Fishing Port, ABP facility and PAROs, to be executed on state-owned land. However, the final site for the ABP facility has not yet been officially confirmed. In addition, the need for associated facilities—such as access roads, utility connections, and auxiliary infrastructure for Ulcinj port—may give rise to unforeseen impacts. These may include temporary access restrictions, potential displacement of informal users, or adverse effects on livelihoods during construction. To address any such risks in line with ESS5, a dedicated Resettlement Policy framework (RPF) is being developed. The RPF will form part of the overall ESF package and serve as a guiding framework for identifying, assessing, and mitigating land-related ESS5 impacts throughout project implementation including those associated with linked or ancillary facilities.
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Particularly relevant for Component 1.1, which involves coastal and marine construction activities (e.g., port dredging and infrastructure at Cape Đeran). Potential impacts on marine habitats and ecosystem services will be assessed, and appropriate mitigation measures will be defined and implemented. In line with the World Bank Interim Guidance Note on Protected Areas (2025), the supplementary ESIA/ESMP will incorporate biodiversity-sensitive alternatives analysis, water-quality monitoring, and strengthened provisions for avoiding and managing impacts on nearby protected and sensitive areas, such as Ulcinj Salina (a Ramsar site)..
ESS8: Cultural Heritage	Relevant for Components 1 and 2, where construction activities (e.g., earthworks for the Fishing Port, ABP facility, and PAROs) may trigger risks to both tangible and intangible cultural heritage. While the full EIA for the Fishing Port confirmed no direct impacts on registered cultural heritage sites, the potential for chance finds remains due to excavation and site preparation. To address this, cultural heritage screening will be included in all site-specific ESIA/ESMPs, and a Chance Finds Procedure—aligned with national heritage regulations and ESS8 requirements—will be mandatory for all contractors.
ESS10: Stakeholder Engagement and Information Disclosure	Applies across all components. A detailed Stakeholder Engagement Plan (SEP) has been developed to ensure transparent, inclusive, and ongoing engagement with fishers, farmers, local communities, vulnerable groups, and relevant institutions throughout project implementation.

The following ESSs are not currently relevant:

- **ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**
– Not applicable to Montenegro. - **Not Relevant**
- **ESS 9: Financial Intermediaries. - Not Relevant**

3. Environmental and Social Policies, Regulations, and Laws

3.1. NATIONAL ENVIRONMENTAL AND SOCIAL LEGISLATION RELEVANT FOR THE PROJECT

Montenegro's national environmental and social legislative framework provides the foundational context for the successful implementation of the Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD). The CRFASD project aims to modernize and enhance the fisheries sector through investments in climate-resilient and energy-efficient infrastructure, improve institutional capacity, and ensure compliance with EU environmental and social standards, particularly those outlined under Chapter 13 (Fisheries) of the EU accession framework. The relevant national legislation outlined below establishes critical legal and administrative responsibilities, procedural requirements, and safeguards necessary for the sustainable and inclusive realization of CRFASD's objectives.

3.1.1. National EIA legislation and procedures

Environmental Impact Assessment (EIA) procedure is regulated by the Law on the Environmental Impact Assessment (Official Gazette of Montenegro No. 75/18) and the Regulation on Projects for which Environmental Impact Assessment is required (Official Gazette of Montenegro No. 20/07, 47/13, 53/14 and 37/18).

The Regulation classifies projects into two groups (lists): Projects under List 1, subject to mandatory EIA, and Projects under List 2, for which the competent state or local authority should decide whether development of an EIA study is required (depending on the potentially significant environmental impacts). The Law on EIA prescribes the procedures for developing EIA studies for projects that may have significant environmental impacts. The Law also addresses the contents of the EIA study, participation of interested parties, evaluation of EIA studies and issuing approvals, notification of other states on projects with potential transboundary effects, supervision and other issues relevant to EIA.

EIA process includes three specific procedures: i) screening as the stage of determining whether an EIA is required; ii) scoping as the stage of determining the scope or extent of the EIA; iii) review as the stage of reviewing the EIA Study to see if it has been undertaken to an acceptable standard and in accordance with the legal requirements. The competent authorities for EIA are: Environmental Protection Agency for projects subject to Construction Permits, and the local self-government units (municipalities) for projects not subject to the Construction Permits and which need a Construction Notification. The EIA procedure must be conducted before the Construction Permit is issued and before starting any construction activities. The public and other parties need to be consulted as well.

Screening procedure steps:

- the investor submits an application to the competent authority to decide on the need for EIA;
- the competent authority checks whether the prescribed documentation has been submitted, if the documentation is incomplete, it requests additional information from the investor within three days and sets the deadline for their submission, if the applicant fails to submit the additional information, the competent authority refuses the application as incomplete; the competent authority must inform the interested authorities, organizations and public of the submitted application within three days from the receipt of a complete application, they can submit their opinions within five days;
- the competent authority decides on the need for developing an EIA Study within four days from the date of receipt of the opinions of interested parties;
- the competent authority informs the interested parties on the adopted decision;
- the adopted decision may be appealed to the Ministry or the Chief Administrator.

Scoping procedure steps:

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

Review and approval of the EIA Study:

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

Project owner is obligated to implement all the measures proposed by the EIA to which the consent was given.

➤ **1. Full Environmental Impact Assessment (Full EIA)**

Required for Projects listed under List I of the EIA Decree, which are presumed to have significant environmental impacts due to their nature, scale, or location.

Typical categories include:

- Major infrastructure (e.g., ports, industrial plants, large-scale food processing).
- Waste treatment and disposal facilities.
- Large-scale water management and flood control works.

➤ **2. Screening Procedure (Preliminary EIA)**

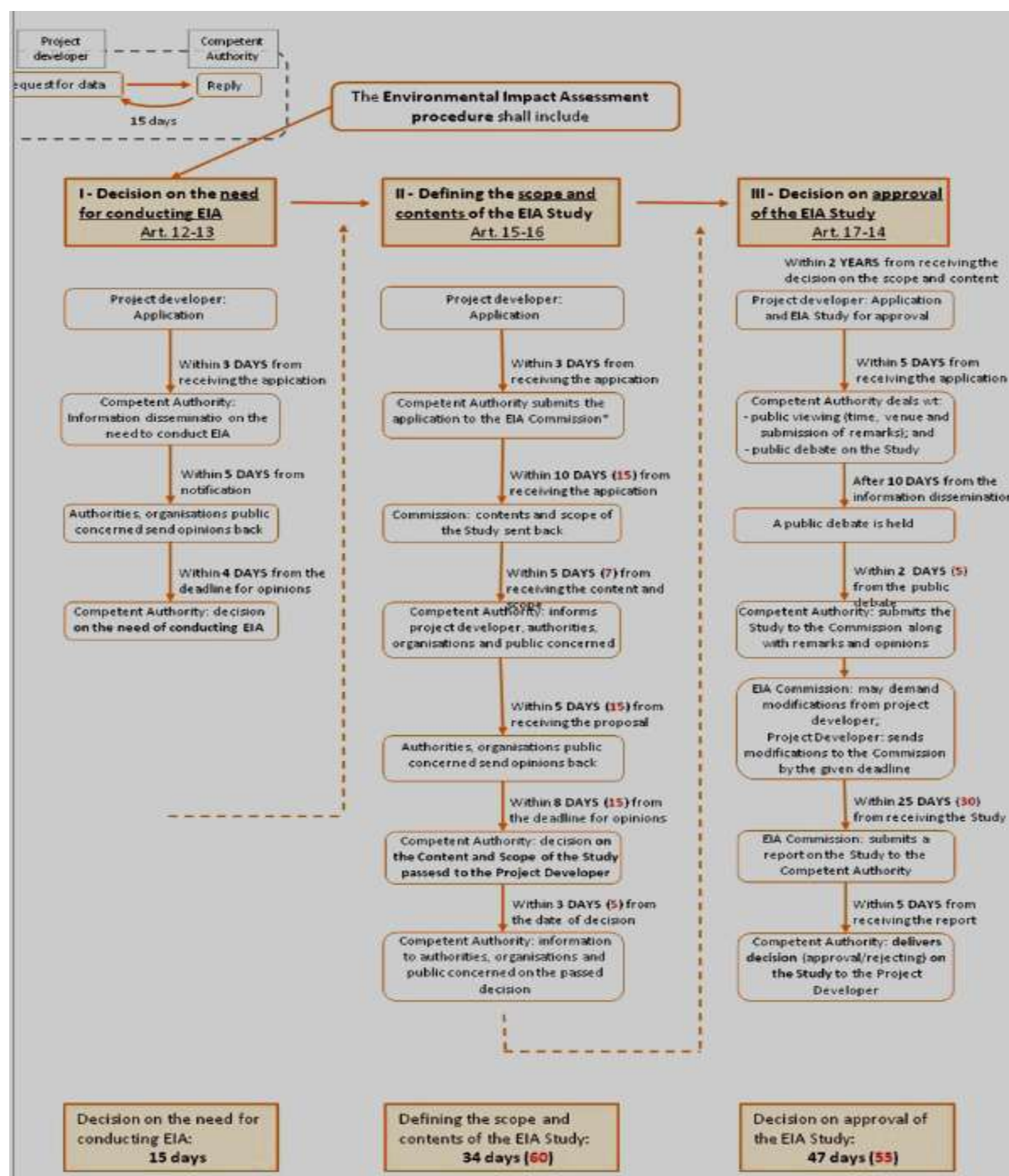
Applies to Projects listed under List II of the EIA Decree and/or Projects not listed but potentially impactful due to their characteristics or location.

Key considerations for classification:

- Project Characteristics: Size, nature, and design.
- Location Sensitivity: Proximity to protected areas, residential zones, or water bodies.
- Potential Impacts: Magnitude, complexity, duration, and reversibility of effects.

Flowchart of EIA Approval

By Montenegrin legislation — the procedure at competent authorities (EPA / local authority)



National EIA legislation Application to CRFASD Project Components

Subproject / Investment	Likely EIA Category	Expected Procedure as per national requirements
Fishing Port in Ulcinj	List I	Full EIA (completed)
Animal By-Product (ABP) Facility	Likely List I	Full EIA required (pending site confirmation)

Paying Agency Regional Offices (Nikšić and Bar)	List II or below threshold Likely Not subject to EIA (the building is less than 1000 m2 – not subject to EIA)	Screening
Soft Investments (TA, Capacity Building)	Not subject to EIA	Not applicable

► EIA Institutional Responsibilities

- Environmental Protection Agency (EPA): Competent authority for EIA approvals requiring state-level development consent.
- Municipalities: Competent for smaller projects not requiring state permits.
- Ministry of Ecology, Sustainable Development and Northern Region Development: Oversight of policy compliance, including transboundary impact coordination where relevant.

The CRFASD Project will fully comply with Montenegro’s national EIA requirements, applying either the Full EIA or Screening procedure based on the nature and potential impacts of each subproject. In addition, the Project will adhere to the World Bank’s ESF, ensuring robust environmental and social risk management, transparent decision-making, and meaningful stakeholder engagement throughout the project lifecycle.

3.1.2. Other relevant Legislation to CRFADS Project

The national legal system provides comprehensive regulations covering environmental protection, natural resource management, agriculture, fisheries, food safety, labor, occupational health and safety, and cultural heritage.

The legislation applicable to CRFASD regulates key areas of relevance to the Project, including:

- Sustainable management of agriculture and fisheries,
- Environmental impact assessment and permitting,
- Water and waste management,
- Labor and workplace safety,
- Biodiversity and nature conservation,
- Cultural heritage preservation,
- Public consultation and access to information.

The table below presents the main national laws and regulations that will govern the design, permitting, construction, and operation of CRFASD project activities. Each law is summarized along with its relevance to the Project’s various components, including physical investments (e.g., the Fishing Port, ABP Facility, and Paying Agency Offices) and technical assistance or capacity-building activities.

Table 4: Montenegrin national laws and regulations

Law / Regulation	Official Gazette Reference	Description and Relevance to CRFASD Activities	Applicable CRFASD Components
Law on Agriculture and Rural Development	No. 56/09, 34/14, 1/15, 30/17, 59/21	Framework for agricultural policy and rural development.	Technical Assistance (TA), Capacity Building
Law on Fisheries and Aquaculture	No. 56/09, 51/17, 52/18	Governs fisheries management and aquaculture development.	Fishing Port, TA, Capacity Building
Law on Food Safety	No. 14/07, 57/15	Food hygiene and safety, veterinary controls.	ABP Facility
Law on Animal By-products Not Intended for Human Consumption	No. 25/10, 39/16	Requirements for collection, processing, disposal of ABPs.	ABP Facility
Law on Veterinary Matters	No. 30/12, 48/15, 52/18	Animal health and veterinary inspection standards.	ABP Facility
Law on Nature Protection	No. 54/15, 18/19	Biodiversity and ecological network protection.	Fishing Port, ABP Facility
Law on Environment	No. 52/16, 73/19	General environmental protection principles.	All physical investments
Law on Environmental Impact Assessment (EIA)	No. 75/18	EIA requirements and procedures.	Fishing Port, ABP Facility, PA Offices
Decree on Projects Requiring EIA	No. 20/07, 47/13, 53/14, 37/18	Defines projects requiring EIA or Screening.	Fishing Port, ABP Facility, PA Offices
Law on Waters	No. 27/07, 32/11, 47/11, 48/15, 52/16, 55/16, 2/17, 80/17, 84/18	Water use, management, and pollution control.	Fishing Port, ABP Facility
Law on Waste Management	No. 34/24	Waste management, including hazardous waste.	ABP Facility, Fishing Port
Law on Air Protection	No. 25/10, 40/11, 43/15, 73/19	Air quality and emission standards.	All construction activities
Law on Protection from Noise in the Environment	No. 28/11, 1/14, 2/18	Environmental noise limits.	Construction and operation of all facilities
Law on Occupational Health and Safety	No. 34/14, 44/18	Workplace safety and health.	All civil works and facility operations
Labor Law	No. 74/19, 8/21, 59/21, 68/21, 145/21, 77/24	Employment terms and workers' rights.	All investments; basis for LMP
Law on Cultural Heritage Protection	No. 49/10, 40/11, 44/17, 18/19	Cultural and historical resource protection.	Fishing Port, ABP Facility, PA Offices
Law on construction of buildings	No. 19/25	Building permits	All infrastructure components
Law on Energy Efficiency	No. 57/14, 3/15, 25/19, 140/22	Establishes minimum energy efficiency standards for buildings (mandatory for new constructions).	ABP Facility, PA Offices

3.1.3. Overview of the National institutional framework

The CRFADS will be implemented in accordance with the provisions of this ESMF, which serves as the key instrument for identifying and addressing gaps between Montenegro's national legal and institutional framework for environmental and social management and the World Bank's Environmental and Social Framework (ESF). This ESMF introduces consolidated procedures and measures to ensure full compliance with national and the ESF throughout project implementation. Key national institutions responsible for environmental and social policy development, permitting, monitoring, and enforcement are outlined below.

A. Environmental Management Institutions

Ministry of Ecology, Sustainable Development and Northern Region Development (MESDNRD)

The MESDNRD is responsible for:

- Developing environmental policies and legislation;
- Adopting Strategic Environmental Assessments (SEA);
- Overseeing integrated environmental protection, sustainable natural resource management, and climate change adaptation strategies.

Environmental Protection Agency (EPA)

The EPA performs regulatory, administrative, and technical tasks in the field of environmental protection, including:

- Environmental monitoring (air, water, soil, biodiversity, noise, radiation);
- Issuance of environmental permits (including EIAs and IPPC licenses);
- Oversight of compliance with environmental standards and reporting on the state of the environment.

Water Administration

Responsible for:

- Management and regulation of water resources;
- Issuance of water use permits;
- Enforcement of water quality standards and pollution prevention measures, particularly for infrastructure and industrial activities.

Institute for Nature Protection of Montenegro

Provides expert assessments related to:

- Biodiversity conservation;
- Potential impacts of development on protected areas and sensitive ecosystems;
- Advises regulatory authorities during EIA processes.

Ecological Inspection (MESDNRD)

Responsible for:

- Inspecting and enforcing compliance with environmental legislation;
- Overseeing adherence to permit conditions during construction and operation of project-financed infrastructure.

B. Social Management and Labor Institutions

Ministry of Labor, Employment and Social Dialogue

Responsible for:

- Development and enforcement of labor laws;
- Oversight of occupational health and safety (OHS) standards;
- Ensuring fair working conditions and the protection of workers' rights in accordance with national legislation and international standards.

Ministry of Human and Minority Rights

Responsible for:

- Developing and implementing policies to protect the rights of vulnerable and minority groups, including women, ethnic minorities, and persons with disabilities;
- Overseeing gender equality policies and minority representation.

Protector of Human Rights and Freedoms (Ombudsman)

An independent institution tasked with:

- Safeguarding human rights;
- Investigating complaints of discrimination, social exclusion, or rights violations;
- Providing an additional grievance redress channel beyond project-level mechanisms.

Agency for the Protection of Personal Data and Free Access to Information

Responsible for:

- Enforcing personal data protection regulations;
- Monitoring the use and processing of personal information collected through stakeholder engagement, grievance mechanisms, and project implementation activities.

C. Migrant Workers

Ministry of the Interior

Responsible for:

- Issuing residence and work permits for foreign nationals under the Law on Foreigners (*Zakon o strancima*, Official Gazette of Montenegro No. 12/18, 3/19, 34/21);
- Processing applications for combined temporary residence and work permits for employment purposes;
- Managing the legal status, stay, and registration of foreign nationals in Montenegro;
- Coordinating with border police and migration services to ensure legal entry and residence conditions.

Ministry of Labor and Social Welfare

Responsible for:

- Defining and implementing national employment policies, including for foreign workers;
- Establishing and publishing the annual quota for foreign employment through a Government Decree (*Uredba o utvrđivanju kvote za zapošljavanje stranaca*);
- Regulating the Labor Law (*Zakon o radu*, Official Gazette of Montenegro No. 74/19);
- Ensuring that migrant workers receive equal treatment and protection under labor standards;
- Overseeing the work of the Labor Inspectorate.

Employment Agency of Montenegro

Responsible for:

- Conducting the labor market test to determine the availability of qualified national candidates before authorizing foreign worker employment;
- Facilitating the registration of migrant workers in the labor market and providing employment mediation;
- Supporting employers and migrant workers through legal employment procedures and reintegration services.

Labor Inspectorate

Responsible for:

- Monitoring labor law compliance, including conditions for migrant worker employment;

- Preventing labor exploitation, undeclared work, and discrimination;
- Issuing sanctions and corrective measures for violations related to foreign labor regulations.

Protector of Human Rights and Freedoms – Ombudsman

Responsible for:

- Investigating alleged discrimination or abuse of migrant workers' rights;
- Acting as an independent grievance redress mechanism beyond administrative and project-level channels;
- Monitoring the protection of vulnerable groups, including foreign nationals and stateless persons.

Agency for the Protection of Personal Data and Free Access to Information

Responsible for:

- Enforcing data protection standards in accordance with the Law on Personal Data Protection (Official Gazette No. 079/08, 070/09, 044/12, 022/17);
- Overseeing the lawful collection and processing of personal information of foreign workers during recruitment, registration, and project implementation.

Process for Integrating Migrant Workers into the Labor Market

1. Combined Permit Application

Foreign nationals seeking employment in Montenegro must apply for a combined temporary residence and work permit, regulated by the Law on Foreigners. This process is initiated either by the employer or the foreign applicant through the Ministry of the Interior. Required documentation includes an employment contract, valid passport, evidence of qualifications, accommodation proof, and health insurance.

2. Labor Market Test

The Employment Agency of Montenegro conducts a labor market test to verify whether there are any qualified Montenegrin nationals available for the job. Employment of a foreign worker may proceed only if the test confirms a gap in local labor supply.

3. Quota Compliance

Employment must comply with the annual foreign labor quota established by the Government. Certain categories (e.g., personal work permits, refugees, highly qualified staff) may be exempt from quotas.

4. Permit Issuance and Worker Registration

Upon a positive decision, the Ministry of the Interior issues the combined permit. The employer must then register the worker with:

- The Tax Administration of Montenegro (Poreska uprava);
- The Pension and Disability Insurance Fund (PIO Fund);
- The Health Insurance Fund of Montenegro.

5. Full Labor Market Integration

Once registered, migrant workers have equal rights and protections under Montenegrin labor law, including:

- Non-discriminatory access to employment;
- Equal pay for equal work;
- Access to grievance mechanisms and OHS protections;
- Social protection and pension entitlements.

6. Monitoring and Enforcement

The Labor Inspectorate monitors employers to ensure that migrant workers are legally employed and treated in accordance with the law. Violations may result in fines, revocation of work permits, or prohibition of further employment of foreign nationals.

Table 5: National Environmental and Social Institutions

Institution	Role in Environmental and Social Management
MESDNRD	Environmental policy, SEA approval, climate change oversight
EPA	Environmental permitting, monitoring, compliance
Water Administration	Water use permitting, water quality monitoring
Institute for Nature Protection	Biodiversity conservation assessments and advice
Ecological Inspection	Enforcement of environmental compliance
Ministry of Labor and social welfare	Labor law enforcement, occupational health and safety compliance
Ministry of Human and Minority Rights	Protection of vulnerable groups, gender equality, minority rights
Ombudsman	Oversight of human rights, social grievance resolution
Agency for Data Protection	Data privacy and public information compliance
Ministry of interior	Issuance of residence and work permits; immigration regulation and monitoring of legal status for migrant workers

3.2. OVERVIEW OF THE WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS

The World Bank Environmental and Social Framework (ESF) establishes the Bank's commitment to supporting sustainable development by applying its Environmental and Social Policy and ten Environmental and Social Standards (ESS). These Standards aim to help Borrowers deliver projects that foster sustainable development, end extreme poverty, and promote shared prosperity, while protecting people and the environment.

The ESF promotes green, resilient, and inclusive development by advancing:

- Labor standards and fair working conditions,
- Social inclusion and non-discrimination,
- Gender equality,
- Climate change mitigation and adaptation,
- Pollution prevention and resource efficiency,
- Biodiversity conservation,
- Community health and safety, and
- Meaningful stakeholder engagement.

It also emphasizes the importance of strengthening Borrowers' environmental and social management systems and enhancing institutional capacity.

The Environmental and Social Standards (ESS) set out mandatory requirements for Borrowers and projects. They provide the framework for systematically identifying, assessing, managing, and mitigating environmental and social risks and impacts throughout project preparation and implementation. The ESSs are applied in conjunction with national laws and policies; however, where differences exist, ESF requirement will prevail. In such cases, **supplementary measures and instruments** are developed to bridge gaps and ensure full compliance with the World Bank's ESF.

3.2.1. Environmental and Social Standards (ESS)

The ESF includes 10 Environmental and Social Standards (ESS). Each ESS specifies objectives and requirements that the Borrower and the project must meet.

In the context of the preparation of this Environmental and Social Management Framework (ESMF), the Project Management Team (PMT), with support from the Ministry of Agriculture, Forestry and Water Management and in close consultation with the World Bank, has undertaken a preliminary screening and assessment of the relevance of each Environmental and Social Standard (ESS) for the CRFASD Project. The results of this ESS screening are presented in the table below.

Table 6. Preliminary Assessment of ESS Relevance for CRFASD

Environmental and Social Standard (ESS)	Objective	Relevant	Not Relevant	Assessment Summary/Relevance to project activities
ESS1 – Assessment and Management of Environmental and Social Risks and Impacts	Requires assessment, management, and monitoring of environmental and social risks and impacts throughout the project life cycle and application of the mitigation hierarchy.	✓		<p>Applies to all project components and project associated facilities. Environmental and social risks include impacts related to civil works for the FP and ABP facility, PAROS offices, waste and wastewater management, occupational health and safety (OHS), community health and safety, biodiversity, and labor-related risks. As part of project preparation, the following project framework instruments have already been developed: the Environmental and Social Management Framework (ESMF-in hand), which includes risk screening and mitigation guidance for subprojects; an Environmental and Social Commitment Plan (ESCP); a Stakeholder Engagement Plan (SEP); a Resettlement Policy Framework (RPF) and Labor Management Procedures (LMP).</p> <p>A full Environmental Impact Assessment (EIA) and Environmental and Social Management Plan (ESMP) for the Fishing Port in Ulcinj were prepared, approved, and disclosed in December 2023. While this fulfills national regulatory requirements, ESS1 of the World Bank’s Environmental and Social Framework requires additional due diligence to ensure that all relevant risks and impacts are addressed. Accordingly, a supplementary ESIA/ESMP will be prepared once detailed designs and associated facilities (e.g., access roads, utility connections) are finalized. This will ensure that biodiversity considerations, alternatives analysis, and monitoring measures are fully consistent with ESS1 and other applicable ESS, thereby complementing the national EIA and securing alignment with the World Bank ESF.</p> <p>For the Animal By-Products (ABP) facility, a site-specific ESIA and ESMP shall be prepared once the designing starts, following the guidance provided in this ESMF and in accordance with Montenegro’s EIA Law and the World Bank’s Environmental and Social Framework (ESF).</p>

				For the construction and reconstruction of the Paying Agency Regional Offices (PAROs) in Bar and Nikšić, no EIA is required under Montenegro's legislation. However, in line with ESS1, these activities will be subject to environmental and social screening and the preparation of proportionate instruments, such as site-specific ESMPs or ESMP Checklists. These instruments will address potential risks related to construction waste management, energy efficiency, occupational and community health and safety, accessibility, and chance finds. This approach ensures that even in the absence of national EIA requirements, the PAROs remain fully compliant with the World Bank ESF.
ESS2 – Labor and Working Conditions	Promotes fair treatment, non-discrimination, occupational health and safety (OHS), prohibits child and forced labor, supports principle of freedom of association and collective bargaining in a manner consistent with national law and requires workers are provided with accessible means to raise workplace concern.	✓		Relevant to all categories of project workers, including PMT staff, contractors, subcontractors, and primary suppliers. A Labor Management Procedure (LMP) has been prepared. Key risks include occupational health and safety (OHS), fair treatment, non-discrimination, and labor rights compliance during both construction and operations. A labor grievance mechanism will be available.
ESS3 – Resource Efficiency and Pollution Prevention and Management	<p>Promotes the sustainable use of resources (including energy, water, and raw materials), pollution prevention and control, waste minimization, and the reduction of greenhouse gas (GHG) emissions. It requires the application of Good International Industry Practice (GIIP) throughout the project life cycle. Key requirements include:</p> <ul style="list-style-type: none"> • Efficient use of energy, water, and materials during both construction and operational phases. • Pollution prevention through control of air emissions, wastewater discharges, noise, and hazardous substances. • Greenhouse gas (GHG) minimization and climate change considerations in design and operation. • Sound waste management, including hazardous and 	✓		<p>ESS3 – Resource Efficiency and Pollution Prevention and Management ✓</p> <p>Applies to all project components involving infrastructure and operations where natural resource use and pollution risks may arise. Relevant project activities include:</p> <p>Fishing Port (Ulcinj): Construction and operation may generate air emissions (from vessels and equipment), wastewater discharges, solid waste, and noise. The ESMP includes provisions for energy-efficient cold storage, wastewater treatment, and proper waste handling to prevent marine pollution.</p> <p>Animal By-Products (ABP) Facility (Nikšić): Operations will involve significant water and energy use, management of animal waste, and potential odor and air emissions. Site-specific ESIA/ESMP will address hazardous material handling, methane and greenhouse gas (GHG) reduction, and recycling of by-products in line with EU standards.</p> <p>PAROs (Bar and Nikšić): Though impacts are minor, construction and operation will integrate energy- and water-efficient building designs, universal access, and waste minimization practices.</p> <p>Resource efficiency, pollution prevention, GHG reduction, and waste management measures will align with Good International Industry Practice (GIIP) and the World Bank Group Environmental, Health, and Safety Guidelines (EHSs), ensuring sustainability across all project components.</p>

	<p>non-hazardous wastes, and responsible disposal.</p> <ul style="list-style-type: none"> Compliance with the World Bank Group Environmental, Health and Safety Guidelines (EHSG) and GIIP. 			
ESS4 – Community Health and Safety	<p>Anticipates and avoids risks to community health and safety, including risks from infrastructure, traffic, hazardous materials, and emergency events.</p>	✓		<p>Relevant due to potential risks to communities from construction and operational activities, including traffic and road safety, waste management, and exposure to occupational hazards. For the Animal By-Products (ABP) facility, particular attention will be given to mitigating public health risks during both construction and operation. Measures will be implemented to prevent the spread of animal diseases and the transmission of pathogens to humans, as well as to avoid soil contamination from the handling of ABP materials. Community Health and Safety (CHS) measures will be integrated into site-specific Environmental and Social Management Plans (ESMPs), including traffic management plans, health and safety protocols, and emergency preparedness. In addition, CHS training and awareness campaigns will be conducted targeting workers and nearby communities as part of the project's overall risk mitigation strategy</p>
ESS5 – Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement	<p>Seeks to avoid or minimize involuntary resettlement. If unavoidable, requires compensation at replacement cost and livelihood restoration.</p>		✓ (relevant)	<p>Land acquisition is not currently anticipated under the CRFASD Project, as all infrastructure investments, including the construction of the Fishing Port and ABP facility, are planned on state-owned land. In addition, the need for associated facilities—such as access roads, utility connections, and auxiliary infrastructure for fishing port—may give rise to unforeseen impacts. These may include temporary access restrictions, potential displacement of informal users, or adverse effects on livelihoods during construction. To address any such risks in line with ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, a dedicated Resettlement Policy framework (RPF) is being developed. This document will form part of the overall CRFASD ESF package and serve as a guiding framework for identifying, assessing, and mitigating land-related ESS5 impacts throughout project implementation.</p> <p>If impacts due to project related land acquisition or restrictions in land use are identified during E&S screening, a Resettlement Action Plan (RAP)) will be prepared in accordance with the RPF.</p>
ESS6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources	<p>Protects biodiversity, promotes the sustainable use of living natural resources, and applies the mitigation hierarchy and precautionary approach.</p>	✓		<p>The Full EIA for the FP, included a detailed assessment of terrestrial, marine, and coastal biodiversity, with particular attention to nearby protected and sensitive areas. However, in the lenses of ESF and particularly ESS6 due diligence revision were highlighted several gaps: the alternatives analysis did not adequately integrate biodiversity criteria, and anticipated impacts on water quality and associated ecological receptors require clearer assessment and monitoring provisions. In addition, the scope of the EIA excluded certain associated facilities (e.g., access roads, utility connections), which may present additional risks.</p> <p>To ensure full compliance with ESS6 and the World Bank's Interim Guidance Note on Projects in or Near Protected Areas (2025), a supplementary ESIA/ESMP will be prepared once detailed designs are finalized. This will:</p>

				<ul style="list-style-type: none"> • Integrate biodiversity criteria explicitly into the alternatives analysis, • Strengthen the assessment of potential water quality impacts and their effects on sensitive habitats, • Define tailored mitigation and biodiversity management measures, and • Establish a robust biodiversity and water quality monitoring framework, consistent with international best practice and the new Protected Areas guidance. <p>For the Animal By-Products (ABP) facility and any other works not covered by the Fishing Port ESIA, site-specific ESIA and ESMPs will be prepared once final locations and designs are confirmed, in line with ESS6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources. Given the potential for impacts on surrounding habitats, watercourses, and ecosystem services, the assessments will:</p> <ul style="list-style-type: none"> • Apply screening criteria to exclude locations with high biodiversity value, protected areas, or sensitive natural habitats; • Conduct baseline biodiversity and water quality studies to identify risks to ecological receptors; • Integrate tailored mitigation and biodiversity management measures to minimize and manage adverse impacts; • Establish a monitoring framework to track biodiversity and water quality during construction and operation
ESS7 – Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Ensures respect for the rights, dignity, and livelihoods of Indigenous Peoples. (Not applicable to Montenegro.)		✓	Not applicable. No Indigenous Peoples as defined by ESS7 are present in Montenegro.
ESS8 – Cultural Heritage	Protects cultural heritage and requires meaningful consultation and chance finds procedures.	✓		<p>The full EIA for the FP (approved and disclosed, December 2023) included a comprehensive assessment of potential impacts on tangible and intangible cultural heritage, including archaeological resources, built heritage, and areas of historical significance. The assessment confirmed that no known cultural heritage sites are located within the direct project footprint or its immediate area of influence.</p> <p>However, consistent with ESS8 requirements, the nature of civil works (excavation and earth movement) entails a potential risk of encountering previously unidentified cultural heritage (“chance finds”). To address this, a Chance Finds Procedure has been developed, integrated into the Environmental and Social Management Plan (ESMP) included in the full EIA, and made mandatory for all contractors and subcontractors. This procedure will also be incorporated into all tender documents and works contracts to ensure enforceability.</p>

				<p>For all future civil works, including the ABP facility and Paying Agency Regional Offices (PAROs) not covered by the FP EIA, the Chance Finds Procedure will be applied as a standard requirement. Where applicable, pre-construction surveys and cultural heritage screening will also be conducted, in line with national legislation and ESS8.</p> <p>Overall, no significant adverse impacts on cultural heritage are anticipated for the CRFASD Project, provided that these measures are systematically implemented.</p>
ESS9 – Financial Intermediaries	Applies to projects involving financial intermediaries.		✓	Not applicable. The Project does not involve financial intermediaries.
ESS10 – Stakeholder Engagement and Information Disclosure	Requires open, inclusive stakeholder engagement, a Stakeholder Engagement Plan (SEP), and an accessible grievance mechanism.	✓		Relevant throughout the project lifecycle. A Stakeholder Engagement Plan (SEP) is being prepared and will be adopted, publicly disclosed and consulted. It includes procedures for ongoing engagement, public information disclosure, meaningful consultation, and a Grievance Redress Mechanism (GRM) accessible to project stakeholders, including vulnerable groups.

3.2.2. Environmental, Health and Safety Guidelines (EHSg)

The **World Bank Group Environmental, Health, and Safety Guidelines (EHSg)** are technical reference documents that provide general and industry-specific examples of **Good International Industry Practice (GIIP)**. These guidelines help Borrowers and projects achieve environmental, health, and safety performance consistent with international best practices.

The EHSg define performance levels and measures that are generally achievable in new facilities. For existing facilities, they provide a framework for establishing **site-specific targets** and **timelines for compliance**, considering the facility's context and operating conditions.

The applicability of the EHSg is determined based on the hazards and risks identified during the environmental and social assessment, taking into account:

- **Country context;**
- **Assimilative capacity** of the environment; and
- **Project-specific factors.**

If national regulations differ from EHSg standards:

- The project must comply with whichever is **more stringent**.
- Where applying less stringent levels is justified by project-specific circumstances, a detailed justification must be provided in the environmental and social assessment.

For the **CRFASD Project**, the EHSg will guide the development and implementation of the project's Environmental and Social Management Framework (ESMF), Environmental and Social Management Plans (ESMPs), Labor Management Procedures (LMP), and site-specific assessments (ESIAs/ESMPs).

The EHSg comprise four main categories:

1. **Environmental**
 - Air Emissions and Ambient Air Quality
 - Energy Conservation
 - Wastewater and Ambient Water Quality
 - Water Conservation
 - Hazardous Materials Management
 - Waste Management
 - Noise
 - Contaminated Land
2. **Occupational Health and Safety**
 - General Facility Design and Operation
 - Communication and Training
 - Physical Hazards
 - Chemical Hazards
 - Biological Hazards
 - Radiological Hazards
 - Personal Protective Equipment (PPE)
 - Special Hazard Environments
 - Monitoring
3. **Community Health and Safety**

- Water Quality and Availability
- Structural Safety of Project Infrastructure
- Life and Fire Safety
- Traffic Safety
- Transport of Hazardous Materials
- Disease Prevention
- Emergency Preparedness and Response

4. Construction and Decommissioning

- Environmental Management
- Occupational Health and Safety
- Community Health and Safety

In addition to the **General EHS**, the **Industry Sector EHS** relevant to fisheries, **ports, harbors, and terminals**⁶ agribusiness, and food processing will also be applied and reference and application required by incorporating reference to the bidding documents.

3.2.3. Good International Industry Practice (GIIP)⁷

Good International Industry Practice (GIIP) refers to the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of activity under similar circumstances globally. GIIP serves as a benchmark for environmental and social performance, particularly where local standards may be absent, outdated, or less stringent than international norms.

Under the **World Bank Environmental and Social Framework (ESF)** and its **Environmental and Social Standards (ESS)**, Borrowers are required to apply GIIP throughout the project life cycle—including preparation, design, construction, operation, and decommissioning. The application of GIIP ensures that environmental and social risks and impacts are managed in line with the latest technical standards, scientific understanding, and operational best practices.

Application of GIIP in the CRFASD Project

The CRFASD Project applies GIIP across the following key areas:

- **Environmental Assessment and Management (ESS1):** Screening, assessment, and mitigation procedures incorporate GIIP to ensure that all potential impacts are identified, evaluated, and managed using best international practices, especially where national standards may be insufficient or silent.
- **Labor and Working Conditions (ESS2):** GIIP informs labor management practices, occupational health and safety (OHS), worker accommodation, emergency preparedness, and health risk prevention across construction, fisheries infrastructure, and agribusiness operations.
- **Resource Efficiency and Pollution Prevention (ESS3):** Design and operation of project components—including the fishing port and Animal By-Products (ABP) facility—apply GIIP in resource use (energy, water, materials), emissions control, waste management, and greenhouse gas (GHG) reduction.
- **Community Health and Safety (ESS4):** Traffic safety management, structural safety, hazardous materials handling, and emergency response measures are developed according to GIIP, minimizing risks to project-affected communities.

⁶ <https://www.ifc.org/content/dam/ifc/doc/mgrt/20170201-final-ehs-guidelines-for-ports-harbors-and-terminals.pdf>

⁷ In addition, the World Bank's Interim Guidance Note on Projects in and near Protected Areas (2025) provides specific guidance that will be applied under CRFASD for activities located near sensitive or protected areas.

- **Land Acquisition and Resettlement (ESS5):** Although no land acquisition or resettlement is currently anticipated, should any occur, compensation and livelihood restoration would follow GIIP principles consistent with ESS5.
- **Biodiversity Conservation (ESS6):** Biodiversity assessments and management measures—including those defined in the Ulcinj Fishing Port ESIA and future site-specific ESMPs—follow internationally recognized standards and methodologies aligned with GIIP.
- **Cultural Heritage (ESS8):** Procedures for cultural heritage screening, chance finds management, and engagement with cultural authorities incorporate GIIP standards for documentation, conservation, and stakeholder consultation.

Reference Framework for GIIP

Key sources of GIIP for the CRFASD Project include:

- **World Bank Group Environmental, Health, and Safety Guidelines (EHSGs);**
- **Environmental, Health, And Safety Guidelines Ports, Harbors, and Terminals**
- **International Labour Organization (ILO)** conventions and guidelines;
- **International Maritime Organization (IMO)** and **Food and Agriculture Organization (FAO)** standards for fisheries and maritime sectors;
- **European Union (EU)** Directives, particularly those already transposed into Montenegrin legislation (e.g., EIA Directive, Habitats Directive, Birds Directive);
- **FAO Code of Conduct for Responsible Fisheries;**
- **ISO Standards** relevant to environmental management, occupational safety, and energy management (ISO 14001, ISO 45001, ISO 50001);
- **IFC Performance Standards**, where applicable and complementary.

Integration into the ESMF

The **Environmental and Social Management Framework (ESMF)** for the CRFASD Project embeds GIIP through:

- **Exclusion list and Screening procedures**, including exclusion criteria to prevent financing of activities with elevated or unacceptable risks;
- **Environmental and Social Impact Assessment (ESIA)** terms of reference and methodologies;
- **Site-specific Environmental and Social Management Plans (ESMPs);**
- **Environmental and social performance requirements for contractors and suppliers;**
- **Monitoring, reporting, and adaptive management mechanisms** to ensure continuous alignment with GIIP during implementation.

By applying GIIP, the CRFASD Project ensures alignment with the World Bank's ESF, supports Montenegro's harmonization with EU environmental and social standards, and promotes sustainable, safe, and inclusive project outcomes.

3.3. GAP ANALYSES OF ESS AND NATIONAL LEGISLATION COMPLIANCE

Montenegro, as an EU candidate country since 2010, continues to align its environmental and social regulatory frameworks with European Union directives and international best practices. Several EU negotiation chapters are particularly relevant to the Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD), including:

- **Chapter 27** (Environment and Climate Change),
- **Chapter 11** (Agriculture and Rural Development),
- **Chapter 12** (Food Safety, Veterinary and Phytosanitary Policy), and
- **Chapter 13** (Fisheries).

A comprehensive review of Montenegro's legal and institutional frameworks was conducted during the preparation of this Environmental and Social Management Framework (ESMF). The review concluded that Montenegro's environmental regulations generally align with the World Bank Environmental and Social Framework (ESF), particularly because of the country's ongoing harmonization with EU directives. However, some important differences and gaps remain. These relate mainly to social risk assessment, advanced labor protections, biodiversity management planning, and formalized, proactive stakeholder engagement—all of which are addressed through the ESF and the CRFASD's environmental and social instruments.

The following table summarizes the compliance status between Montenegro's national framework and the World Bank's Environmental and Social Standards (ESS) applicable to the CRFASD Project.

Table 7: Compliance Analysis of ESS and National Legislation

Environmental and Social Standard (ESS)	National Environmental and Social Framework	Compliance Analysis (Gaps)
ESS1: Assessment and Management of Environmental and Social Risks and Impacts	<ul style="list-style-type: none"> - Law on Environment - Law on Environmental Impact Assessment (EIA) - Law on Nature Protection - Law on Spatial Planning and Construction - Law on Occupational Health and Safety 	EIA legislation provides a robust framework for environmental assessment. However, Montenegro's legislation does not require social risk assessments as per ESS1 (e.g., labor influx, community impacts), cumulative impacts assessment, or adaptive management—all of which are mandatory under ESS1. The CRFASD addresses these gaps through the ESMF, site-specific ESIAs and ESMPs, and the ESCP.
ESS2: Labor and Working Conditions	<ul style="list-style-type: none"> - Labor Law - Law on Occupational Health and Safety 	National laws cover core labor rights, OHS, and prohibit child and forced labor. However, there are no explicit legal requirements for gender-balanced OHS committees, protections against retaliation, or dedicated grievance mechanisms for project workers. These are provided for under the CRFASD Labor Management Procedures (LMP).
ESS3: Resource Efficiency and Pollution Prevention and Management	<ul style="list-style-type: none"> - Law on Environment - Law on Air Protection 	Montenegro's legislation generally aligns with EU directives on pollution prevention, waste management, and resource efficiency. However, national law lacks explicit requirements for GHG accounting and climate change

	<ul style="list-style-type: none"> - Law on Waste Management - Law on Water - Law on Energy Efficiency 	mitigation planning. Some gaps also exist in enforcement capacity. The CRFASD ESMF and ESMPs apply GIIP and the EHS to fill these gaps.
ESS4: Community Health and Safety	<ul style="list-style-type: none"> - Law on Environment - Law on Occupational Health and Safety - Law on Traffic Safety - Law on Water 	Community health and safety are not comprehensively addressed under Montenegro's national EIA and construction permitting frameworks. Current legislation does not mandate community engagement or the development of formal CHS plans during construction or operational phases. To bridge these gaps and ensure alignment with ESS4, community health and safety considerations are or will be integrated into the CRFASD Project's ESMF, LMP and site-specific ESIs/ESMPs.
ESS5: Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement	<ul style="list-style-type: none"> - Law on Expropriation 	In Montenegro, national legislation does provide for compensation in cases of expropriation; however, it does not mandate broader livelihood restoration measures or nor encourages negotiated settlements, and does not meet the requirement to pay transaction costs. To address these gaps and ensure alignment with the World Bank's ESS5, a dedicated Resettlement Policy Framework (RPF) has been developed. The RPF will guide the identification, assessment, and mitigation of any land-related risks that may arise during implementation, and establish procedures for fair compensation, stakeholder engagement, and grievance redress in compliance with ESS5.
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	<ul style="list-style-type: none"> - Law on Nature Protection - Law on Environmental Impact Assessment 	National law incorporates biodiversity protection aligned with EU Natura 2000 principles. However, it does not mandate Biodiversity Management Plans (BMP) or fully apply the ESS6 mitigation hierarchy (avoidance, minimization, restoration, offsetting).
ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not applicable	ESS7 does not apply, as no Indigenous Peoples as defined by the ESF are present in Montenegro.
ESS8: Cultural Heritage	<ul style="list-style-type: none"> - Law on Protection of Cultural Heritage 	Montenegro has a strong legal framework for cultural heritage protection. However, chance find procedures are not systematically required in all project contracts. The CRFASD EIA for the Fishing Port includes a Chance Finds Procedure, which will be applied to all project civil works through the ESMF and ESMPs.
ESS9: Financial Intermediaries	Not applicable	Not relevant to CRFASD, as no financial intermediaries are involved.
ESS10: Stakeholder Engagement and Information Disclosure	<ul style="list-style-type: none"> - Law on Environment - Law on Free Access to Information - Law on Personal Data Protection 	Public consultation and information disclosure are mandated under EIA laws. However, there is no legal requirement for a formal Stakeholder Engagement Plan (SEP) or proactive engagement with vulnerable groups as required by ESS10. The CRFASD SEP addresses this gap and includes a Grievance Redress Mechanism (GRM).

4. Environmental and Social Baseline Information

4.1. ENVIRONMENTAL BASELINE AND RELEVANT POTENTIAL ISSUES

The environmental baseline for the CRFASD Project reflects Montenegro's diverse geography, natural resources, and socio-economic contexts. Baseline conditions vary by location, with site-specific assessments available for the FP in Ulcinj, and generalized national and municipal data applied for other components.

4.1.1. Air emission and air quality

Air quality in Montenegro varies significantly by region, influenced by geography, population density, industrial activity, transportation, and seasonal heating practices. The key pollutants of concern are particulate matter (PM₁₀, PM_{2.5}), nitrogen dioxide (NO₂), sulfur dioxide (SO₂), carbon monoxide (CO), ground-level ozone (O₃), and odors — particularly relevant for the ABP facility.

Air quality monitoring is conducted by the Environmental Protection Agency (EPA) and the Center for Ecotoxicological Testing Podgorica (CETI), with nine permanent monitoring stations located throughout Montenegro. Measurements comply with the national regulatory framework (*Law on Air Protection*, Official Gazette Nos. 25/10, 40/11, 43/15) and align with EU Air Quality Directives as part of Montenegro's EU accession process.

Fishing Port – Ulcinj (Cape Đeran – Velika Plaža)

According to the ESIA baseline, Ulcinj generally exhibits good air quality due to prevailing coastal winds and limited industrial sources. Main contributors to air emissions include vehicular traffic and occasional dust from tourism-related activities and port operations. PM and NO₂ levels are well below national limits.

Animal By-Product (ABP) Facility – Nikšić (Municipal Conditions)

Nikšić experiences moderate air pollution episodes, especially in winter months due to heating emissions and its legacy industrial base (steel production, mining). In 2023:

- PM₁₀ and PM_{2.5} occasionally exceeded WHO guideline values but remained within national permissible limits most of the year.
- SO₂ and NO₂ levels reflected contributions from vehicular traffic and localized industrial emissions.
- Potential for odors will require particular attention during ABP design and operation, including odor mitigation systems.

Paying Agency Regional Offices (PAROs) – Nikšić and Bar (Municipal Conditions)

- Nikšić: As above.
- Bar: Coastal meteorology promotes pollutant dispersion. Air quality in Bar is generally good, with occasional PM and NO₂ spikes linked to road traffic and port activities.

Key Baseline Indicators (2023 data, national averages):

Pollutant	Typical Concentration (µg/m ³)	WHO Guideline	Notes
PM _{2.5}	15–20	5	Exceeds WHO but usually within national limits.
PM ₁₀	25–45	15	Seasonal exceedances in Nikšić.
NO ₂	10–35	10	Road transport main source.
SO ₂	<20	20	Industrial contribution in Nikšić.
O ₃	Variable	100 (8-hour)	Generally within limits.

Potential Project-Specific Impacts

- **Ulcinj Port:** Minimal air quality impacts expected during operation; minor dust/emissions during construction mitigated through standard ESMP measures.
- **ABP Facility:** Potential PM, NOx, and odor emissions from processing activities. Air pollution control and odor management systems will be required.
- **PAROs:** Negligible operational impacts; construction phase dust and machinery emissions will require temporary control measures.

Future Monitoring and Compliance

Site-specific ESIA or ESMPs for the ABP and PAROs will define air quality thresholds, monitoring plans, and mitigation actions in line with national and EU standards. Particular focus will be placed on:

- Odor monitoring for ABP operations.
- Dust and PM control during construction.
- Continuous compliance reporting aligned with Montenegro's Air Monitoring Program.

4.1.2. Water quality

General Overview

Water quality in Montenegro is shaped by the country's varied geography, hydrology, and human activities. For the CRFASD Project, water quality is a key environmental aspect, particularly in relation to the Fishing Port in Ulcinj, the future Animal By-Product (ABP) Facility, and the Paying Agency Regional Offices (PAROs) in Nikšić and Bar.

The Fishing Port in Ulcinj (Cape Đeran – Velika Plaža) has been subject to a full Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP), which included detailed site-specific baseline assessments of marine and coastal water quality. The findings confirmed generally good water quality, with risks primarily linked to port-related discharges and sediment disturbance.

For the ABP facility and PARO sites, detailed site-specific water quality data will be collected during the preparation of the respective ESIA or ESMPs once locations are finalized. Until then, national and municipal-level data (Nikšić and Bar) provide the baseline reference.

Key Water Resources

Montenegro's freshwater and marine water bodies are essential for drinking water, agriculture, fisheries, tourism, and biodiversity. Key resources relevant to the project sites include:

- **Rivers** (Zeta and Morača near Nikšić; Bojana near Ulcinj and minor streams near Ulcinj and Bar)
- **Groundwater aquifers** (primary drinking water sources for Nikšić and Bar)
- **Coastal waters** (Adriatic Sea – Ulcinj and Bar)

The Institute of Hydrometeorology and Seismology and the Environmental Protection Agency (EPA) conduct ongoing monitoring of water quality parameters including pH, dissolved oxygen, nutrients (nitrates, phosphates), heavy metals, hydrocarbons, pathogens, and organic pollutants.

Current Conditions and Trends

- **Ulcinj (Fishing Port):**
 - Coastal water quality is generally **good**. However, occasional localized pollution from wastewater discharges, boating activities, and stormwater runoff occurs, especially during the tourism season.
 - Parameters like **salinity, turbidity, and coliform bacteria** are monitored routinely as per national and EU standards.
- **Nikšić (ABP Facility and PARO):**
 - Rivers such as the **Zeta** have generally **moderate to good** water quality upstream but may be affected by urban runoff, agricultural discharges, and legacy industrial pollution downstream.
 - Groundwater quality is **good** but faces risks from potential agricultural leaching and localized waste disposal issues.
- **Bar (PARO):**
 - Coastal and groundwater sources are monitored regularly. Coastal water quality is **good**, with occasional issues linked to port activities and untreated wastewater discharges.

National Challenges Identified (State of Environment 2023):

- **Urban wastewater and industrial discharges** contribute to surface and groundwater contamination.
- **Agricultural runoff** introduces nutrients leading to eutrophication risks in rivers and lakes.
- **Aging infrastructure** results in occasional untreated sewage discharges, particularly in fast-growing urban and tourist zones.
- **Climate change** is expected to intensify water quality pressures through altered rainfall patterns and more frequent flooding events.

Project-Relevant Water Quality Considerations

Component	Key Water Quality Considerations
Fishing Port, Ulcinj	Management of runoff, stormwater, and wastewater; avoidance of sediment disturbance during dredging and construction. The full EIA (2023) addressed general risks, but a supplementary ESIA/ESMP will be prepared once detailed designs and associated facilities (e.g., access roads, utility connections) are finalized, to ensure enhanced water quality monitoring measures.
ABP Facility, Nikšić	Potential risks of leachate, process wastewater, and stormwater runoff contaminating surface and groundwater; design of advanced containment and treatment systems essential.
PAROs, Nikšić & Bar	Minor water quality risks; during construction, sediment control and prevention of fuel/oil runoff required.

Regulatory Framework and Future Monitoring

Montenegro aligns its water management system with the EU Water Framework Directive, setting water quality standards and implementing pollution control measures. The National Water Management Strategy and the Law on Waters (Official Gazette Nos. 27/07, 32/11, 84/18) guide national efforts.

Future site-specific monitoring and mitigation will be defined in the forthcoming ESIAs/ESMPs for the ABP facility and PARO offices, as well as in the supplementary ESIA/ESMP for the Ulcinj Fishing Port and associated facilities. These instruments will include:

- **Regular water quality sampling** before, during, and after construction, with parameters tailored to each site's risks (e.g., leachate for ABP, stormwater and dredging impacts for FP).
- **Implementation of pollution prevention and emergency response plans**, including provisions for accidental spills and wastewater treatment.
- **Stakeholder engagement** with local water utilities, municipal authorities, and the Environmental Protection Agency to ensure compliance with national regulations.
- **Alignment with Good International Industry Practice (GIIP)**, including the World Bank Group's Environmental, Health, and Safety Guidelines (EHSGs) for Ports, Harbors, and Terminals, and Waste Management, ensuring monitoring protocols and mitigation measures meet both EU and international benchmarks.

4.1.3. Waste management

National Overview

Waste management in Montenegro remains a significant environmental and public health challenge. Despite recent progress, issues persist including **limited infrastructure, insufficient waste separation and recycling, illegal dumping, and low public awareness**. Poor waste handling practices contribute to **soil, water, and air pollution**, with leachate contaminating groundwater and burning waste releasing toxic air pollutants. These impacts are particularly serious for vulnerable populations near illegal dumpsites or non-compliant landfills.

The **National Waste Management Plan (2023–2028)** and the **Law on Waste Management** set the legal and strategic framework for Montenegro’s gradual alignment with **EU waste directives**. However, infrastructure gaps and funding constraints hinder comprehensive implementation.

Current Practices

Montenegro generates various waste streams:

- **Municipal Solid Waste (MSW):** Mostly organic materials, plastics, paper, and metals.
- **Industrial Waste:** From sectors like mining, energy, and manufacturing.
- **Hazardous Waste:** Including medical and some industrial wastes.
- **Construction and Demolition Waste.**

Urban areas have **better waste collection coverage (75–80%)**, while rural areas lag. Recycling rates remain low nationwide, and most waste ends up in landfills, many of which do not meet EU standards. Hazardous and industrial waste management is inconsistent, especially among smaller enterprises.

Table 8: Project-Relevant Waste Considerations

Project Component	Waste Management Considerations
Fishing Port (Ulcinj)	Waste will include dredged material, construction debris, and operational waste (e.g., packaging, plastics, fishing gear). Management must include appropriate disposal, recycling, and control of hazardous substances (e.g., fuel/oil residues).
Animal By-Product (ABP) Facility (Nikšić)	<p>This facility will generate specialized waste streams, including:</p> <ul style="list-style-type: none"> - Animal by-product residues unsuitable for further use. - Process wastewater with high organic content. - Packaging and general operational waste. <p>Strict waste handling, treatment, and disposal protocols will be essential to prevent environmental contamination. Design must include:</p> <ul style="list-style-type: none"> - Secondary containment systems for organic waste. - On-site waste pretreatment or transfer to licensed disposal facilities. - Odor control and leachate management. - Emergency response plans for accidental releases.
Paying Agency Regional Offices (Nikšić and Bar)	Waste will be minor, mostly office waste (paper, plastics, electronics). Standard municipal collection and recycling services will suffice. Construction debris during renovation or construction phases will require appropriate disposal.

4.1.4. Noise

National Context

Noise pollution is an increasing environmental concern in Montenegro, particularly in urban centers, coastal

tourist areas, and regions with significant industrial and transportation activities. The primary sources of noise include vehicular traffic, construction activities, industrial operations, and maritime and air transport.

Prolonged or high noise exposure poses risks to public health, including hearing impairment, sleep disturbances, cardiovascular stress, and reduced quality of life. Vulnerable groups—such as children, the elderly, and individuals with pre-existing health conditions—are especially sensitive. Wildlife, particularly birds and marine organisms, can also experience disruptions to communication, mating, feeding, and navigation patterns, especially in coastal and rural ecosystems.

Sources and Patterns

Noise levels vary seasonally and geographically:

- **Urbanization and traffic** cause consistently high noise levels in **Podgorica, Nikšić**, and other large towns.
- **Tourism activities**, especially along the coast (**Budva, Kotor, Herceg Novi**), significantly increase ambient noise during peak seasons.
- **Industrial operations** contribute in cities like **Nikšić** and **Pljevlja**.
- **Air and maritime transport** elevate noise around airports and harbors, including **Bar** and **Ulcinj**.

Applicable Standards and Regulations

Noise control is regulated by:

- **Law on Environmental Protection**
- **Law on Noise Protection**
- **Rulebooks** specifying maximum allowable noise levels by area type (residential, commercial, industrial) and time period (daytime, evening, nighttime).

Montenegro is aligning national standards with EU Environmental Noise Directive requirements, including noise mapping and action plans for key urban centers and transport corridors. However, comprehensive national noise monitoring infrastructure remains limited.

Project-Relevant Baseline Noise Conditions

Project Component	Baseline Noise Considerations
Fishing Port (Ulcinj)	The full EIA include detailed baseline data. Primary sources include coastal traffic, fishing vessels, tourism activities, and urban background noise. Seasonal variations are significant due to increased tourism in summer.
Animal By-Product (ABP) Facility (Nikšić)	Moderate urban and industrial baseline noise levels from existing industries and traffic. No ABP facility currently exists; site selection will require detailed proximity analysis for sensitive receptors (residential areas, schools, health facilities). Future facility operations (equipment, vehicle movement, and waste processing) will introduce additional localized noise.
Paying Agency Regional Offices (Nikšić and Bar)	Typical urban baseline noise levels predominantly from vehicular traffic and nearby commercial activities. Renovation or construction activities are expected to cause temporary increases in noise, remaining within or slightly above normal urban ranges.

Key Baseline Noise Receptors

Site-specific ESIA/ESMPs for the ABP and PARO sites will consider the following receptors:

- **Residential areas** (houses, apartments)
- **Educational institutions** (schools, kindergartens)

- **Healthcare facilities**
- **Cultural and recreational areas**
- **Wildlife habitats** (if present nearby)

Noise Management Framework and Monitoring

Montenegro's approach to noise management includes:

- **Urban planning and zoning** (creation of quiet zones and green buffers)
- **Traffic management** (calming measures, speed limits, and promoting public transport)
- **Noise barriers and building insulation**
- **Regulation of construction hours** and nightlife activities
- **Public awareness** campaigns

Currently, only Podgorica has an established noise map. Other municipalities (notably Nikšić and coastal areas) are in the process of developing noise maps to guide mitigation actions. Under the CRFASD, project-specific noise monitoring will be required prior to and during construction, especially for the ABP facility and PAROs, to confirm baseline levels and evaluate compliance during implementation.

4.1.5. Nature protection

National Context

Montenegro is renowned for its rich biodiversity and diverse natural landscapes, including coastal zones, mountains, rivers, lakes, and extensive forests. The country's varied ecosystems host numerous species, many of which are rare or endangered. As a result, nature protection is a key national priority, supporting both the preservation of natural heritage and the promotion of sustainable development and eco-tourism.

Montenegro has established **numerous protected areas**, including:

- **Five national parks** (Durmitor, Biogradska Gora, Lake Skadar, Lovćen, and Prokletije), covering approximately 10% of the national territory.
- **Nature reserves, protected landscapes, and areas of unique flora and fauna.**

The Adriatic coastal zone features critical marine habitats such as seagrass beds, coral reefs, and rocky shores, supporting marine biodiversity including dolphins, sea turtles, and numerous fish species. Kotor Bay, a UNESCO World Heritage Site, is a notable ecological and cultural asset.

Inland, significant freshwater ecosystems include the Tara, Lim, Morača, and Zeta rivers, and lakes such as Lake Skadar and Lake Plav. The Tara River Canyon, the second deepest canyon globally, is a key protected feature within Durmitor National Park.

Legal and Institutional Framework

Montenegro's robust legal framework for nature protection aligns with international conventions and EU directives:

- **Law on Nature Protection**
- **Law on Environmental Protection**
- **Law on National Parks**

- **Law on Forests**

Key institutions include:

- **Ministry of Ecology, Sustainable Development and Northern Region Development** – responsible for policy development and coordination.
- **Environmental Protection Agency** – monitors environmental quality and enforces regulations.
- **National Parks of Montenegro** – manages the five national parks and conducts habitat restoration, wildlife monitoring, and public education.

Montenegro is also a signatory to major international agreements, including the Ramsar Convention and actively collaborates with the EU, UNDP, UNEP, and regional partners on biodiversity conservation and environmental governance.

Challenges

Despite strong legal and institutional foundations, nature protection in Montenegro faces several challenges:

- **Urbanization and infrastructure development**, particularly along the coast.
- **Illegal logging, poaching, and fishing**, often driven by weak enforcement and economic incentives.
- **Pollution** from industrial, agricultural, and urban sources, affecting freshwater and marine ecosystems.
- **Climate change**, causing habitat shifts, extreme weather, and biodiversity loss.
- **Limited financial and human resources**, restricting effective management and monitoring.

Strategic Initiatives

Montenegro has developed several key strategies to address these challenges:

- **National Biodiversity Strategy and Action Plan (NBSAP)** – defines goals for species and habitat protection, sustainable tourism, and environmental governance.
- **EU Natura 2000 Network** – in progress, to protect priority species and habitats under EU Birds and Habitats Directives.
- **Protected Area Expansion** – increasing terrestrial and marine protected areas.
- **Sustainable Forest Management** – promoting biodiversity, reducing deforestation, and supporting rural livelihoods.
- **Endangered Species Programs** – focusing on species like the **Balkan lynx, brown bear, and Dalmatian pelican**.
- **Ecotourism Development** – promoting low-impact tourism that supports conservation and local communities.

Project-Relevant Considerations

For the **CRFASD Project**, nature protection considerations include:

Project Component	Relevance to Nature Protection
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Fishing Port (Ulcinj)	The FP full EIA identified potential impacts on marine biodiversity and nearby protected coastal habitats, including proximity to the Ulcinj Salina (Ramsar site). The ESMP includes measures to mitigate impacts on seagrass beds, fish populations, and coastal ecosystems. However, the EIA alternatives analysis did not fully integrate biodiversity criteria, and potential water quality impacts were noted as a gap. To ensure full compliance with ESS6, a supplementary ESIA/ESMP will be prepared once detailed designs and associated facilities (e.g., access roads, utility connections) are finalized, incorporating strengthened biodiversity and water quality monitoring.
Animal By-Product (ABP) Facility	Site selection will undergo careful screening to avoid sensitive ecosystems (e.g., wetlands, rivers, or forested habitats). A full ESIA/ESMP will be prepared once the design is confirmed, addressing risks of wastewater, leachate, and odor emissions that could affect biodiversity and water quality. Mitigation will include advanced containment and treatment measures, consistent with ESS6 and GIIP. In addition, the Stakeholder Engagement Plan (SEP) has foreseen enhanced outreach and public awareness campaigns to ensure that local communities clearly understand the facility's purpose, safety protocols, and environmental benefits, thereby reducing misinformation and strengthening public acceptance.
Paying Agency Regional Offices (Nikšić and Bar)	Expected to have very low direct impact on biodiversity. However, construction activities will be screened to avoid disturbance of peri-urban green spaces, local flora, and small habitats. Standard good construction practices (erosion control, dust and noise reduction, and site restoration) will be applied to minimize residual impacts.

Future Assessments

For the **ABP facility and PARO sites**, **site-specific environmental and social screening and/or ESIA/ESMPs** will confirm:

- Absence of impacts on protected or sensitive natural areas.
- Adequacy of proposed mitigation and management measures.
- Compliance with national biodiversity protection laws and the **World Bank's ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources)**.

4.1.6. Climate change

National Context

Climate change poses a significant and growing threat to Montenegro's environment, economy, and society. The country's unique geography—with a combination of coastal, mountainous, and freshwater ecosystems—makes it particularly vulnerable to climate impacts including rising temperatures, altered precipitation patterns, more frequent extreme weather events, and sea-level rise.

Montenegro is already experiencing these changes, which are expected to intensify over the coming decades.

Climate Indicator	Change	Observed and Projected Impacts
Rising Temperature		Average temperatures have increased by 0.5°C to 1.2°C over the past century. Projections estimate a further increase of 2.5°C to 4°C by 2100, particularly in summer, resulting in more frequent and intense heatwaves.
Altered Precipitation Patterns		Annual precipitation has decreased in coastal and lowland areas while becoming more variable in mountainous regions. Increased risk of flash floods in winter and prolonged droughts in summer is expected.
Sea-Level Rise		Projected to rise by 0.2 to 1 meter by 2100, threatening low-lying coastal areas, critical infrastructure, and marine ecosystems.
Extreme Weather Events		A notable increase in the frequency and severity of heatwaves, heavy rainfall, floods, and droughts has already been observed and is expected to continue.
Reduced Snowfall and Glacial Retreat		Higher temperatures are leading to reduced snowfall and earlier snowmelt in the Durmitor and Prokletije mountain ranges, reducing water availability and affecting river ecosystems.

Environmental Impacts

- **Biodiversity loss** and habitat degradation, particularly in sensitive mountain and coastal ecosystems.
- **Increased wildfire risks**, threatening forests and human settlements.
- **Changes in water availability**, affecting rivers, lakes, and groundwater resources.
- **Sea-level rise**, erosion, and saltwater intrusion, threatening coastal habitats and communities.

Socioeconomic Impacts

- **Tourism**: Vulnerable to temperature extremes, coastal erosion, and weather-related disruptions. Coastal attractions, including Ulcinj where the fishing port investment is planned, are particularly at risk.
- **Agriculture**: Droughts, altered growing seasons, and increased pests/diseases are reducing yields for key crops like olives and grapes.
- **Energy sector**: Hydropower generation is at risk from changing precipitation and reduced snowpack.
- **Public health**: Risks include heat-related illnesses, respiratory problems from air pollution, and vector-borne diseases.
- **Infrastructure**: Increased stress from floods, storms, and landslides, affecting roads, bridges, utilities, and buildings.

Policy and Strategy Framework

Montenegro has committed to climate action through:

- **National Strategy on Climate Change by 2030**
- **Nationally Determined Contribution (NDC)** under the Paris Agreement
- **Climate Change Adaptation Strategy**
- **Law on Climate Protection**

As an EU candidate country, Montenegro is aligning its policies with the EU Green Deal, EU Emissions Trading System (ETS), and integrating climate considerations into national development planning.

Mitigation Measures

- **Renewable energy development** (wind, solar, biomass) to reduce fossil fuel dependence.
- **Energy efficiency** improvements in buildings, transport, and industry.
- **Sustainable agriculture and forestry**, promoting water-efficient irrigation, organic farming, and forest conservation.
- **Improved waste management**, including methane reduction through better landfill management and recycling.

Adaptation Measures

- **Water resource management**, improving infrastructure for water supply and distribution.
- **Disaster risk reduction**, strengthening flood defenses and early warning systems.

- **Coastal zone management**, including Integrated Coastal Zone Management (ICZM) plans and ecosystem restoration.
- **Public education** and awareness

4.1.7. Cultural heritage

National Context

Montenegro's cultural heritage is exceptionally rich and diverse, shaped by millennia of human settlement and a blend of civilizations, including Illyrian, Roman, Byzantine, Ottoman, Venetian, and Austro-Hungarian influences. This heritage reflects both tangible and intangible values that contribute to the national identity and socio-economic development, especially through cultural tourism.

Tangible cultural heritage includes:

- Historical monuments and archaeological sites
- Churches, monasteries, mosques, and synagogues
- Fortresses, castles, and old urban cores (such as Kotor, Bar, and Cetinje)
- Traditional architecture, especially in coastal towns and mountain villages

Intangible cultural heritage includes:

- Traditional music and dance
- Folklore, oral traditions, and customs
- Craftsmanship and culinary practices

Two of Montenegro's sites are recognized as UNESCO World Heritage Sites:

- **Natural and Culture-Historical Region of Kotor**
- **Durmitor National Park**

Montenegro maintains a **Register of Cultural Monuments** cataloguing protected immovable and movable heritage assets. National legislation, including the **Law on the Protection of Cultural Heritage**, establishes the legal framework for heritage conservation, management, and promotion. The Ministry of Culture and Media is responsible for policy implementation, supported by specialized institutions and partnerships with UNESCO and other international bodies.

Current Challenges

- **Urbanization and infrastructure development:** Particularly in coastal areas and historic towns, new developments may conflict with heritage conservation.
- **Illegal activities:** Unauthorized construction, looting, and vandalism pose risks to both tangible and intangible assets.
- **Natural hazards and climate change:** Flooding, erosion, and seismic activity threaten vulnerable sites.

- **Resource constraints:** Limited financial and human resources affect the effective monitoring and maintenance of heritage sites.

Relevance to the CRFASD Project

Project Component	Potential Cultural Heritage Considerations
Fishing Port (Ulcinj)	The full EIA confirmed no direct impacts on registered cultural heritage sites within the project footprint. However, given the proximity of Ulcinj's Old Town, archaeological remains, and other areas of historical significance, construction activities must be implemented with caution. A Chance Finds Procedure, aligned with ESS8 and national heritage regulations, will be applied to all civil works to ensure that any previously unidentified cultural heritage is properly managed.
Animal By-Product (ABP) Facility	Site selection will be screened to avoid proximity to cultural or historical sites. Chance-find procedures will be established in the ESIA/ESMP for the selected site.
Paying Agency Regional Offices (Nikšić and Bar)	Urban areas with established development zones; however, Nikšić and Bar both contain cultural heritage assets. Renovation or construction works will be screened for potential heritage interactions, and appropriate mitigation measures (e.g., chance-find procedures) will be applied.

Institutional and Legal Safeguards

Montenegro's Law on Environmental Protection and Law on the Protection of Cultural Heritage require that new development projects undergo heritage impact assessments when appropriate. The World Bank's Environmental and Social Standard 8 (ESS8) will also apply to ensure international best practices in protecting cultural heritage during project preparation and implementation.

Wherever necessary, the Project will implement:

- **Chance-find procedures** during construction activities
- **Avoidance or mitigation measures** if any heritage risks are identified
- **Stakeholder engagement** with cultural authorities and local communities

4.2. SOCIAL BASELINE AND RELEVANT POTENTIAL ISSUES

4.2.1. Socio-cultural, institutional, historical and political context

Montenegro has undergone substantial political, social, and institutional transformation since regaining independence in 2006. The country is home to a diverse, multi-ethnic and multi-religious society. According to the most recent census (Montenegro Statistical Office, 2022), Montenegrins represent approximately 45% of the population, followed by Serbs (28.7%), Bosniaks (8.6%), Albanians (4.9%), Croats (1%), and other ethnic minorities. Religiously, the population is predominantly Orthodox Christian (72%), with Muslims—primarily Bosniaks and Albanians—accounting for 19%, and Roman Catholics, mainly among Croat and Albanian communities, comprising 3.5%.

Since 2010, when Montenegro was granted European Union (EU) candidate status, the country has made substantial progress in aligning its political, institutional, and policy frameworks with the EU acquis. Accession negotiations formally commenced in 2012, and by 2023, all 33 negotiating chapters had been opened, with three provisionally closed. The EU accession process has driven significant reforms across public administration, judiciary, environmental governance, and economic policy.

Of particular relevance to the CRFADS Project, Montenegro is advancing reforms under:

- **Chapter 11: Agriculture and Rural Development**, promoting alignment with the EU Common Agricultural Policy (CAP), including modernization of agri-food sectors, animal by-product (ABP) management, and rural infrastructure.

- **Chapter 13: Fisheries**, supporting alignment with the EU Common Fisheries Policy (CFP), sustainable fisheries management, and development of fishing infrastructure.
- **Chapter 27: Environment and Climate Change**, focusing on approximation to the EU environmental acquis, including nature protection, water and waste management, air quality, and climate resilience.
- **Chapter 19: Social Policy and Employment**, advancing social inclusion, labor rights, and occupational health and safety—important cross-cutting issues under the World Bank Environmental and Social Framework (ESF), particularly ESS2 and ESS10.

Montenegro has also integrated **social inclusion, gender equality, and public participation** into its national policies, supported by EU pre-accession funding (IPA III), with particular focus on rural areas, vulnerable groups, and sustainable local economic development. These priorities are fully aligned with the social sustainability objectives of CRFADS.

Institutionally, Montenegro has strengthened its governance structures for environmental management, agriculture, fisheries, and rural development. Key ministries—including the Ministry of Agriculture, Forestry and Water Management, the Ministry of Ecology, Sustainable Development and Northern Region Development, and the Environmental Protection Agency—play critical roles in planning, implementation, and monitoring, supported by municipal authorities and civil society organizations.

Montenegro's strategic orientation towards EU membership and its commitment to aligning with European standards create an enabling environment for CRFADS investments, particularly in enhancing environmental sustainability, climate resilience, and socio-economic opportunities in the fisheries and agri-food sectors.

4.2.2. Demography

Montenegro's population is estimated at approximately 620,000 (2023), with demographic patterns reflecting broader trends seen in many European countries. The population is aging, with a median age of around 39 years, driven by declining birth rates and increased life expectancy (currently about 77 years). These trends are resulting in a shrinking working-age population, which presents ongoing challenges for the labor market, social welfare systems, and the sustainability of rural livelihoods—particularly relevant for the agri-food and fisheries sectors targeted by the CRFADS Project.

Gender distribution is relatively balanced overall. However, older age groups exhibit a higher proportion of women, consistent with longer female life expectancy. Gender dynamics in rural areas, including barriers to women's participation in agricultural cooperatives, agribusinesses, and fisheries, remain a recognized development challenge and are addressed under national strategies for social inclusion and gender equality.

Educational attainment is generally high. Literacy rates exceed 98%, and access to primary and secondary education is widespread. Nevertheless, educational and skills disparities persist between urban and rural areas, and among certain minority and disadvantaged groups, including Roma and Ashkali communities. Youth from rural and coastal communities often migrate to urban areas or abroad in search of better employment, contributing to rural depopulation and labor shortages in agriculture, food processing, and fisheries.

Health outcomes show a mixed picture. While Montenegro has relatively high life expectancy, it faces a significant burden of non-communicable diseases such as cardiovascular illnesses and diabetes. Healthcare infrastructure and services are adequate in urban centers—including Podgorica, Nikšić, and Bar—but access and quality decline significantly in rural and remote areas. Coastal areas also experience seasonal strain on health services due to tourism influxes.

Household structures are changing. Average household sizes are decreasing, and traditional multi-generational households are becoming less common. Social trends include later marriages, lower birth rates, and increasing divorce rates, particularly in urbanized areas. These patterns affect community dynamics and

social cohesion, especially in rural areas.

Relevance for CRFADS:

Demographic trends have direct implications for CRFADS interventions. Aging and rural depopulation challenge labor availability in agriculture and fisheries. Youth and women are key target groups for capacity-building and livelihood diversification efforts under the Project. Health, education, and social inclusion considerations are essential for ensuring that vulnerable and marginalized groups can equitably participate in and benefit from CRFADS-supported activities, in alignment with World Bank ESS10 and EU social inclusion policies.

4.2.3. Economy & employment

Montenegro's economy is highly dependent on tourism and the services sector, which together account for over 60% of GDP. Following the severe 2020 recession caused by the COVID-19 pandemic (-15.3% GDP growth), the economy rebounded robustly, recording 13% growth in 2021 and sustained expansion in 2022 (6.4%) and 2023 (approximately 6%) (World Bank, 2023). Economic recovery has been bolstered by foreign investment, expanding private consumption, and an influx of foreign residents, notably from Russia and Ukraine.

However, structural challenges remain. The national unemployment rate hovers around 15%, with youth unemployment significantly higher, reflecting persistent mismatches between educational outputs and labor market demands—especially in technical, agricultural, fisheries, and food processing skills. Regional disparities are pronounced: Podgorica and coastal areas exhibit relatively strong employment growth, while the northern and central regions—including rural parts of Nikšić—lag behind in economic opportunities and income levels.

Agriculture and Fisheries

Agriculture, forestry, and fisheries—although contributing less than 7% of GDP—are vital for rural livelihoods, food security, and cultural heritage. The fisheries sector, especially small-scale and artisanal fishing, is concentrated along the coast (Ulcinj, Bar, Kotor), while aquaculture is gradually developing. Montenegro's agri-food sector faces challenges related to small farm size, aging farmer demographics, limited market access, and compliance with EU food safety and environmental standards. However, these sectors offer significant potential for sustainable growth, youth employment, and women's economic participation, especially with EU alignment and CRFADS support for capacity-building, value chains, and infrastructure upgrades.

Tourism

Tourism remains a major economic driver, particularly in the coastal regions (Bar, Ulcinj, Budva, Kotor). Seasonal tourism contributes to fluctuating labor demands and exposes the economy to external shocks (e.g., pandemics, geopolitical crises). There is increasing policy emphasis on sustainable, eco- and cultural tourism that leverages natural and cultural assets while mitigating environmental and social pressures.

Gender and Vulnerable Groups

Gender inequalities persist in the labor market. Women's participation in agriculture, fisheries, and entrepreneurship remains below EU averages, constrained by traditional roles, limited access to finance, and underrepresentation in decision-making bodies such as producer associations and cooperatives. Vulnerable groups—including ethnic minorities, rural youth, persons with disabilities, and low-income households—face barriers to employment and economic inclusion.

Relevance for CRFADS

CRFADS directly supports national objectives for rural development, livelihood diversification, and sustainable

job creation in agriculture, fisheries, and value-added food production. The Project aims to address regional economic disparities and enhance youth, women's, and vulnerable groups' participation in income-generating activities. These priorities align with the EU Common Agricultural Policy (CAP), the European Pillar of Social Rights, and the World Bank Environmental and Social Framework (ESS2 and ESS10).

4.2.4. Land & livelihood

Montenegro's challenging terrain and limited arable land have a profound impact on land use and livelihoods. The coastal region, characterized by significant tourism development, contrasts sharply with the more rural and less economically developed northern and central regions. While agriculture remains a vital source of income in these rural areas, it is increasingly giving way to service-oriented sectors, particularly in urbanized regions. Land ownership in Montenegro is a mix of private and state holdings, with complex tenure systems that sometimes lead to disputes. The government has made progress in modernizing land registration systems, but challenges persist, especially in rural areas where informal land tenure practices are common. The shift from traditional livelihoods to more service-based employment is uneven across the country. Coastal areas have benefited from significant economic growth due to tourism, while the northern regions have experienced stagnation, leading to internal migration and depopulation of rural areas.

4.2.5. Infrastructure

Montenegro's **infrastructure quality and distribution vary significantly by region**, affecting access to services, markets, and employment—particularly for rural communities dependent on agriculture, livestock, and fisheries.

Transport and Market Access

The national road network covers approximately **7,000 kilometers**, but only **20% are classified as primary or highway standard**. **Rural and northern areas**, including agricultural zones around Nikšić and Bar, often lack reliable road connections, **limiting access to markets, services, and tourism centers**. Seasonal weather, landslides, and flooding exacerbate transport challenges, especially for small-scale farmers and fishers transporting goods.

Fisheries Infrastructure

Montenegro's coastal fisheries infrastructure is limited and outdated. The fishing port in Ulcinj (Cape Đeran), that will be constructed under the CRFADS Project, will include modern facilities for hygienic fish landing, cold storage, ice production, and maintenance services—hindering compliance with EU hygiene and food safety standards for fishery products. Small-scale fishers—who account for the vast majority of Montenegro's fishing fleet—face considerable challenges in securing safe landing sites and accessing value-added markets due to the current lack of adequate facilities. To mitigate these constraints, the CRFASD Project will prioritize the design and construction of the Ulcinj port to be accessible and functional for small-scale fishers. The port will include specific features tailored to their needs, such as designated berthing space, safe and hygienic unloading zones, storage and processing support, and access to cold chain and market facilities. These interventions aim to improve operational safety, product quality, and market integration for small-scale fishers, ultimately enhancing their income and resilience.

The modernization of fisheries infrastructure under the CRFASD Project—particularly the construction of the climate-resilient fishing port in Ulcinj—may pose an access barrier for individual or small-scale fishers operating outdated vessels that do not meet anticipated sanitary or technical standards. This could inadvertently exclude some fishers from benefiting from the upgraded facilities.

To mitigate this risk:

- The Project will promote inclusive access by incorporating **awareness campaigns** and **technical support** through the SEP and capacity-building components.
- The Stakeholder Engagement Plan (SEP) includes dedicated outreach to small-scale fishers to explain port access requirements early in the process and identify those potentially affected by non-compliance.
- The Project will work with the Directorate for Fisheries to develop **technical guidance and support programs** (including training and small grants, where feasible) to help fishers upgrade or adapt vessels and practices.

These measures aim to ensure that all eligible users, regardless of their current vessel status, are informed, supported, and able to benefit from the project equitably.

Agricultural and Livestock Facilities

Montenegro's agricultural value chains are hindered by the absence of formal infrastructure for animal by-product (ABP) management. Currently, the country lacks any dedicated ABP facility, resulting in inadequate systems for the safe collection, processing, and disposal of animal waste. This gap poses significant risks to biosecurity, food safety, and environmental health, particularly in the livestock sector.

The CRFASD Project will establish Montenegro's first ABP facility, marking a critical step toward alignment with EU veterinary and environmental standards. This facility will provide centralized services for the proper handling of animal by-products, enabling safe treatment and disposal practices that reduce the risk of disease outbreaks, uncontrolled dumping, and contamination of soil and water bodies.

By filling this long-standing infrastructure gap, the ABP facility will:

- Improve the sanitary conditions of livestock production;
- Enhance compliance with national and EU regulations;
- Strengthen the sustainability and competitiveness of Montenegro's agrifood sector.

This investment will also serve as a platform for institutional capacity building and regulatory enforcement, ensuring long-term operational sustainability and alignment with European integration goals.

Institutional and Administrative Infrastructure

The **Paying Agency Regional Offices (PAROs)** in Nikšić and Bar, which serve as key points for the administration of rural development subsidies (aligned with the **EU Common Agricultural Policy - CAP**), require modernization to improve:

- **Service efficiency and beneficiary access.**
- **Data management** for compliance with EU monitoring and evaluation standards.

- **Physical accessibility** for rural populations, including vulnerable groups.

Water, Sanitation, and Waste Management

Water supply and sanitation services show a clear divide between urban and rural areas. In cities such as Podgorica and Bar, a large number of households have reliable access to water and basic wastewater collection services. However, in rural areas, water supply coverage is significantly lower and wastewater treatment is very low, posing environmental and public health challenges – particularly relevant for agricultural and fisheries value chains that require clean water and hygienic conditions.

Digital Infrastructure

While Montenegro has made progress in expanding **broadband and mobile network coverage**, rural areas **lag behind**, limiting access to **digital agricultural advisory services, e-commerce, and market information platforms** promoted under EU rural development programs.

Relevance to CRFADS and EU Standards

The CRFADS Project directly responds to these infrastructure gaps by:

- **Modernizing fisheries and ABP infrastructure** to meet **EU sanitary, hygiene, and environmental standards**.
- **Improving administrative capacity** of rural development institutions (PAROs) to align with the **EU CAP Integrated Administration and Control System (IACS)**.
- **Enhancing rural connectivity and service delivery**, supporting **inclusive economic growth** in agriculture, livestock, and fisheries sectors.

The Project also indirectly contributes to meeting Montenegro's **EU accession priorities** related to rural development, food safety, fisheries modernization, and social inclusion.

5. Potential Environmental and Social Risk and Impacts and Standard Mitigation Measures

The CRFADS Project's environmental and social (E&S) risks primarily arise from the construction and operation of two key subcomponents:

- **Animal By-Product (ABP) Management Facility**
- **Construction of Paying Agency Regional Offices (PAROs) in Nikšić and Bar.**

Fishing Port in Ulcinj (Cape Đeran)

A full EIA including an Environmental and Social Management Plan (ESMP), was completed, approved, and disclosed for the Fishing Port (FP) in Ulcinj in December 2023, in line with Montenegrin legislation. Nevertheless, the FP is a strategic investment that may generate broader development activities—such as fisheries expansion, tourism-related services, or associated facilities (e.g., access roads, utility connections, auxiliary infrastructure).

For this reason, the ESMF does not duplicate the general risk screening already carried out under the approved national EIA/ESMP, which adequately addressed risks required by Montenegrin legislation. Instead, the ESMF builds on this foundation to ensure that any gaps identified in the EIA—such as insufficient integration of biodiversity criteria in the alternatives analysis, limited clarity on water quality impacts, or outdated baseline data and consultations and consideration of associated facilities—are addressed in line with the World Bank ESF. The ESMF therefore provides the framework for preparing supplementary assessments and management plans to secure full compliance with ESS1 and other relevant standards, particularly for associated facilities or design modifications not previously covered.

Accordingly, a supplementary ESIA/ESMP will be prepared once final designs and associated facilities are confirmed. This supplementary assessment will:

- Apply the screening procedures and exclusion criteria defined in this ESMF;
- Integrate biodiversity-sensitive alternatives analysis (ESS1, ESS6);
- Clarify and monitor biodiversity and water-quality impacts across construction and operation phases;
- Incorporate site-specific seismic risk studies to ensure that structural design and safety measures reflect the high seismic sensitivity of the project area
- Assess cumulative effects, including downstream tourism and fisheries-related pressures;
- Identify and manage potential land acquisition, access restrictions, or livelihood impacts in line with the Project Resettlement Policy Framework (ESS5); and
- Strengthen monitoring and reporting on community health and safety risks (ESS4).
- Apply the **Interim Guidance Note on Projects in or near Protected Areas (2025)** to ensure no significant adverse impacts on Ulcinj Salina and other sensitive habitats.
- Conduct updated stakeholder consultations (ESS10).

This ensures that the FP subproject not only remains compliant with Montenegrin requirements but also fully aligns with the due diligence and risk management standards of the World Bank ESF throughout design finalization, construction, and operation.

5.1. ENVIRONMENTAL RISKS AND MITIGATION

Subcomponent	Phase	Environmental Risks/Impacts	Standard Mitigation Measures
ABP Facility	Construction	<ul style="list-style-type: none"> - Noise, dust, odors, and vibrations - Soil and water pollution (fuel spills, chemicals, wastewater) - Waste generation (construction debris, potential hazardous waste) - Biodiversity disturbance (if near natural habitats) 	<ul style="list-style-type: none"> - Contractor ESMP (CESMP) with dust/noise controls - Spill prevention and secondary containment - Waste segregation and licensed disposal - Biodiversity screening before works - Compliance with EU and national construction EHS standards
	Operation	<ul style="list-style-type: none"> - Odor and air emissions - Wastewater discharge - Hazardous material handling (pathogens, chemicals) - Community nuisance (traffic, noise) 	<ul style="list-style-type: none"> - Air emission and odor control systems - Wastewater treatment plant compliant with EU Urban Waste Water Directive - OHS and waste management plans - Traffic and safety plans
PAROs (Nikšić & Bar)	Construction	<ul style="list-style-type: none"> - Noise, dust, vibration - Possible asbestos exposure during demolition - Waste generation - Disruption of public access and services 	<ul style="list-style-type: none"> - CESMP with noise/dust controls - Asbestos screening and certified removal (if present) - Waste segregation and licensed disposal - Access management and public notices
	Operation	<ul style="list-style-type: none"> - No significant environmental risks 	<ul style="list-style-type: none"> - Routine building maintenance following national OHS and environmental regulations

5.2. SOCIAL RISKS AND MITIGATION

Subcomponent	Phase	Social Risks/Impacts	Standard Mitigation Measures
ABP Facility	Construction	<ul style="list-style-type: none"> - Community disturbance (noise, dust, traffic) - OHS risks to workers - Land acquisition/resettlement (site-dependent) - <i>Potential disproportionate impacts on vulnerable groups, including Roma communities, residing in proximity, due to socio-economic marginalization, limited access to information, or weaker institutional support.</i> 	<ul style="list-style-type: none"> - SEP and GRM in place - Accessible and inclusive grievance redress mechanisms (GRMs) with outreach in marginalized settlements; - Contractor worker code of conduct - Traffic management plan - Screening for land acquisition—if ESS5 relevant impacts are identified to follow RPF guidance
	Operation	<p>Odor and Air Quality Impacts on Surrounding Communities Improper handling or storage of animal by-products may result in strong and persistent odors, especially if the facility is located near residential or agricultural zones. This can significantly impact the quality of life, lead to community complaints, and reduce public acceptance of the facility.</p> <p>Traffic and Road Safety Risks The transport of animal by-products to and from the facility is expected to increase heavy vehicle traffic in surrounding areas. This may pose safety risks for pedestrians and local residents, cause noise and dust pollution, and potentially</p>	<ul style="list-style-type: none"> - Air emission and odor control systems - Community engagement and grievance redress - OHS procedures and emergency response plans - Strict occupational health and safety (OHS) measures including PPE, vaccination protocols (where appropriate), and staff training (ESS2); - Traffic management Plans

		<p>disrupt daily activities in nearby communities—particularly where road infrastructure is limited.</p> <p>Occupational and Community Health and Safety (OCHS) Risks Worker Risks: Facility workers may be exposed to hazardous substances and conditions, including chemicals (e.g., disinfectants), physical risks (e.g., handling of heavy materials), and biological risks (e.g., zoonotic pathogens from decomposing animal waste). Without proper protective equipment and safety training, these can lead to serious health issues.</p> <p>Community Risks: Inadequate containment, treatment, or disposal of animal by-products could result in leakage, spillages, or contamination of soil and water resources. This poses risks of disease transmission to nearby populations and agricultural lands,</p> <p>Risk of Disease Transmission and Pathogen Spread Animal by-products, if not properly processed and sanitized, can harbor harmful pathogens including bacteria, viruses, and parasites. Improper operation or emergency failures (e.g., breakdown in rendering processes or waste storage leaks) could lead to the spread of infectious diseases to humans, animals, or the environment. This is a significant biosecurity concern, particularly in rural or livestock-dense regions.</p> <p>Cumulative and Reputational Impacts As the first ABP facility in Montenegro, the project may face heightened scrutiny or resistance from the public, especially if there is a lack of awareness about its safety protocols and environmental benefits. Miscommunication or poor stakeholder engagement can lead to misinformation and reputational risks for the project and government.</p>	<p>-Comprehensive waste treatment and containment systems to prevent leaching and runoff, aligned with ESS3 and GIIP; -Clear contingency planning for accidental spills, disease outbreak response, and coordination with veterinary and public health authorities (aligned with ESS4).</p>
PAROs (Nikšić & Bar)	Construction	<ul style="list-style-type: none"> - Temporary disruption of public services - Noise/dust nuisance - Community health and safety (access issues) - Worker OHS risks - Potential SEA/SH risk (low) 	<ul style="list-style-type: none"> - Public notices and access planning - Construction safety barriers and signage - Contractor code of conduct and OHS plans - Worker GRM and community GRM
	Operation	<ul style="list-style-type: none"> - No significant social risks - Potential improved service delivery and accessibility 	<ul style="list-style-type: none"> - Continuous stakeholder feedback and building maintenance

5.3. CROSS-CUTTING MITIGATION TOOLS

Tool/Instrument	Application
Environmental and Social Management Framework (ESMF)	Provides overarching guidance for the identification, screening, risk classification, and mitigation planning for all subprojects under the CRFASD, particularly where detailed designs are not yet available. It outlines procedures for preparing site-specific instruments and ensures consistency with World Bank ESF and national legislation. May be complemented by other frameworks or assessments (e.g., RPF, ESCP, SEP and LMP) as relevant.
Environmental and Social Management Plans (ESMPs/ESMP Checklists)	Define detailed, site-specific environmental and social mitigation measures, particularly for subprojects such as the ABP facility, Fishing Port, and PARO buildings. These are based on

	screening outcomes and include monitoring plans, institutional responsibilities, and cost estimates. Checklists may be used for lower-risk, standardized activities.
Contractor ESMP (CESMP)	Prepared by contractors prior to mobilization, based on the ESMP, to detail how E&S mitigation measures will be implemented during construction. Covers site-specific risks such as dust, noise, waste, worker safety, and includes method statements for sensitive works. Must be approved by the PMT before works commence.
Stakeholder Engagement Plan (SEP)	Guides inclusive, transparent, and culturally appropriate stakeholder consultations throughout the project lifecycle. Includes mechanisms for information disclosure, feedback collection, and a functioning Grievance Redress Mechanism (GRM) accessible to all stakeholders, including vulnerable groups.
Labor Management Procedures (LMP)	Facilitate the planning for the project and help identify the resources necessary to address the labor issues associated with the project. The labor management procedures help to (a) identify the different types of project workers that are likely to be involved in the project, and (b) set out the ways of meeting the requirements of ESS2 that apply to the different types of workers and workers GRM
Chance Finds Procedures	Established to ensure that any physical cultural heritage unexpectedly encountered during excavation or construction works is properly protected, in compliance with national laws and ESS8 . Includes stop-work protocols and reporting chains.
Traffic Management Plans	Prepared for each construction site to manage increased traffic volumes and ensure road safety for workers and communities. Includes vehicle routing, scheduling, signage, access control, and pedestrian safety near worksites.
Emergency Preparedness and Response Plans	Detail protocols and responsibilities for managing accidental events (e.g., chemical spills, fires, disease outbreaks) that may affect worker or community health and safety. Includes coordination with local emergency services, notification procedures, and training requirements.
Environmental and Social Commitment Plan (ESCP)	A binding document agreed between the Borrower and the World Bank that sets out all environmental and social commitments (instruments, staffing, timelines, etc.) required to ensure compliance with the ESF. Monitored throughout the project lifecycle.
Resettlement Policy Framework (RPF)	To be prepared when exact locations and impacts of land acquisition are not known at appraisal. It outlines principles, organizational arrangements, and procedures to guide preparation of Resettlement Action Plans (RAPs) when necessary. Relevant for ABP or Fishing Port sites if land-related risks exist.
Resettlement Action Plans (RAPs) <i>(site-specific)</i>	Developed if land acquisition is confirmed. Identifies affected people, provides compensation and livelihood restoration measures, and ensures consultation and grievance redress in accordance with ESS5.
Waste Management Plans (WMP)	Particularly important for facilities like the ABP, which will generate hazardous and non-hazardous waste. Outlines how waste will be segregated, stored, transported, treated, and disposed of safely, including responsibilities and monitoring.
Health and Safety Management Plans (OHS/H&S Plans)	While contractor ESMPs may include H&S provisions, dedicated plans should be required for facilities handling chemicals, biological waste, or complex machinery (e.g., ABP). Addresses risks to both workers and nearby communities.
Biodiversity Management Plans <i>(if needed)</i>	To be developed if subproject screening identifies significant impacts on habitats or species, especially relevant near coastal or protected areas. Provides mitigation, restoration, and monitoring measures in line with ESS6.
Infectious Disease Management Plans <i>(for ABP)</i>	Especially relevant due to zoonotic disease risk from ABP operations. This may be integrated into the Emergency Plan or kept as a standalone instrument under ESS4. Includes protocols for disease surveillance, PPE, worker training, and disposal methods.

5.3.1. Overview of environmental risks and mitigation measures in pre-construction, construction and operation phase

The environmental risks and mitigation measures for CRFADS hard infrastructure subprojects—**Animal By-Product (ABP) Facility** and **Paying Agency Regional Offices (PAROs)**—are summarized below.

Note: A full EIA including an Environmental and Social Management Plan (ESMP), was completed, approved, and disclosed for the Fishing Port (FP) in Ulcinj in December 2023, in line with Montenegrin legislation. Nevertheless, the FP is a strategic investment that may generate broader development activities—such as fisheries expansion, tourism-related services, or associated facilities (e.g., access roads, utility connections, auxiliary infrastructure). For this reason, the ESMF does not duplicate the general risk screening already carried out under the approved national EIA/ESMP, which adequately addressed risks required by Montenegrin legislation. Instead, the ESMF builds on this foundation to ensure that any gaps identified in the EIA—such as insufficient integration of biodiversity criteria in the alternatives analysis, limited clarity on water quality impacts, or outdated baseline data and consultations and consideration of associated facilities—are addressed in line with the World Bank ESF. The ESMF therefore provides the framework for preparing supplementary assessments and management plans to secure full compliance with ESS1 and other relevant standards, particularly for associated facilities or design modifications not previously covered.

Accordingly, a supplementary ESIA/ESMP will be prepared once final designs and associated facilities are confirmed. This supplementary assessment will:

- Apply the screening procedures and exclusion criteria defined in this ESMF;
- Integrate biodiversity-sensitive alternatives analysis (ESS1, ESS6);
- Clarify and monitor biodiversity and water-quality impacts across construction and operation phases;
- Incorporate site-specific seismic risk studies to ensure that structural design and safety measures reflect the high seismic sensitivity of the project area
- Assess cumulative effects, including downstream tourism and fisheries-related pressures;
- Identify and manage potential land acquisition, access restrictions, or livelihood impacts in line with the Project Resettlement Policy Framework (ESS5); and
- Strengthen monitoring and reporting on community health and safety risks (ESS4).
- Apply the **Interim Guidance Note on Projects in or near Protected Areas (2025)** to ensure no significant adverse impacts on Ulcinj Salina and other sensitive habitats.
- Conduct updated stakeholder consultations (ESS10).

This ensures that the FP subproject not only remains compliant with Montenegrin requirements but also fully aligns with the due diligence and risk management standards of the World Bank ESF throughout design finalization, construction, and operation.

Environmental Risks and Mitigation Measures — Pre-construction (Design) Phase

E&S Aspect	Mitigation Measures
Site selection (ABP)	<ul style="list-style-type: none"> - ESIA to ensure no proximity to sensitive receptors (housing, schools, healthcare). - Avoidance of flood zones, sensitive ecosystems, and Natura 2000 candidate areas. - Baseline biodiversity, noise, and water assessments required.
Energy Efficiency (PAROs)	<ul style="list-style-type: none"> - Apply energy efficiency and ventilation standards adapted to seasonal and climatic impacts. - Utilize high-efficiency HVAC and insulation. - Incorporate nature-based solutions (e.g., shading, reflective materials, native landscaping).
Fire Safety (all)	<ul style="list-style-type: none"> - Compliance with Montenegrin and EU fire and life safety codes. - Fire-resistant materials specified in design. - Emergency egress routes and fire response systems incorporated.

Seismic Safety (all)	<ul style="list-style-type: none"> - Structural design must comply with Eurocode 8 for seismic resilience. - Retrofit plans where necessary (especially older PAROs).
Noise Management (ABP)	<ul style="list-style-type: none"> - Design operational noise reduction features (enclosures, acoustic barriers). - Ensure construction plans mitigate noise near sensitive receptors.
Waste Management Planning	<ul style="list-style-type: none"> - ABP waste streams to follow EU Animal By-Products Regulations. - PAROs to include office and occasional hazardous waste management planning. - Design includes appropriate waste storage and disposal systems.

Environmental Risks and Mitigation Measures — Construction Phase

Subcomponent Activity	Risks and Impacts	Mitigation Measures
Site preparation, demolition, machinery movement	<ul style="list-style-type: none"> - Dust, noise, vibration emissions. - Soil/water contamination from fuel/oil leaks. - Habitat disturbance or vegetation loss. - Increased traffic, safety risks. - Waste generation (construction debris, hazardous waste e.g., ACM). 	<ul style="list-style-type: none"> - Apply ESMP/ESIA site-specific mitigation plans. - Dust suppression (e.g., water spraying). - Maintenance of machinery to prevent leaks. - Clearly defined transport routes and speed limits. - Waste segregation, storage, and licensed disposal. - Workers equipped with PPE. - Biodiversity protection zones defined (if needed).
Demolition of old PARO structures	<ul style="list-style-type: none"> - Asbestos exposure (if present). - Risk of injury or unsafe dismantling. - Community health risks (dust, noise). 	<ul style="list-style-type: none"> - Asbestos surveys pre-demolition. - Asbestos handling by certified contractors. - Public notification and fencing. - Noise timing restrictions. - Emergency response plans in place.
ABP facility construction	<ul style="list-style-type: none"> - Groundwater/surface water contamination. - Increased traffic. - Occupational health and safety risks. - Temporary biodiversity disturbance. 	<ul style="list-style-type: none"> - Secondary containment for fuels/chemicals. - Stormwater runoff controls. - Workers trained in OHS practices. - Timing of construction to avoid breeding/nesting seasons (if applicable).
General civil works (PAROs)	<ul style="list-style-type: none"> - Disturbance to nearby public services (if PARO remains operational). 	<ul style="list-style-type: none"> - Schedule disruptive works outside peak office hours. - Stakeholder engagement and notification. - Barrier fencing and safe public access maintained.

Environmental Risks and Mitigation Measures — Operational Phase

Subcomponent Activity	Risks and Impacts	Mitigation Measures
ABP Operations	<ul style="list-style-type: none"> - Odor and air emissions. - Wastewater discharge. - Solid and hazardous waste generation. - Noise from equipment. - Transport impacts (animal by-products delivery). 	<ul style="list-style-type: none"> - Install air filters, scrubbers, and ventilation systems. - Treat wastewater according to EU discharge standards. - Hazardous waste managed under licensed operators. - Noise control systems operational. - Traffic management plan implemented.
PARO Operations	<ul style="list-style-type: none"> - Energy consumption. - Waste generation. - Worker safety risks. 	<ul style="list-style-type: none"> - Regular energy efficiency audits. - Waste separation and licensed disposal. - Scheduled building maintenance. - Worker safety training and equipment provided.

ESS Standard	Key Risks	Proposed Mitigation
ESS1	Pollution, health and safety, biodiversity disturbance	ESIA/ESMP for ABP; ESMP/Checklist for PAROs
ESS2	Worker health and safety, labor influx risks	LMP compliance, Code of Conduct, OHS training
ESS3	Resource efficiency, waste management	Energy-efficient designs; EU-compliant waste plans
ESS4	Community health and safety, traffic accidents, nuisance	Traffic Management Plan; stakeholder communication; grievance redress
ESS5	Land acquisition (if required)	TBD— apply mitigation hierarchy - and implement RPF if avoidance is not feasible
ESS6	Biodiversity impacts	Avoidance through site selection; seasonal work timing
ESS8	Cultural heritage	Chance finds procedures integrated into all contracts
ESS10	Stakeholder engagement, grievance mechanisms	SEP implemented; accessible GRM for community and workers

6. Environmental and Social Risk Management

6.1. METHODOLOGY FOR SCREENING AND ASSESSMENT OF E&S IMPACTS

Since the CRFADS Project includes a range of subprojects that will be further defined and prepared during project implementation (including the fisheries infrastructure at Cape Đeran, the Animal By-Product (ABP) facility, and potential smaller infrastructure or institutional activities), it is necessary to ensure a robust E&S risk screening and assessment process for all subprojects.

In line with the World Bank Environmental and Social Framework (ESF), particularly ESS1 – Assessment and Management of E&S Risks and Impacts, the Project Management team (PMT) will assess the environmental and social risks and impacts of each subproject by applying the methodology defined in this Environmental and Social Management Framework (ESMF).

For each subproject, the PMT will apply the **Exclusion List and Screening Procedures** (see Annex 4 and Annex 5) outlined in this ESMF.

The preliminary E&S assessment for the CRFADS Project indicates that none of the currently planned subprojects are expected to be classified as “High Risk”. Any activity or subproject likely to trigger high risk will be excluded per the Screening and Exclusion List

Screening procedure

For projects involving multiple sub-projects or activities, as is the case with CRFADS, the World Bank requires a **mandatory review** of:

- The adequacy of national environmental and social requirements applicable to sub-projects.
- The **capacity of the Borrower (MAFWM)** and its **Project Management team (PMT)** to manage environmental and social risks and impacts, particularly the capacity to:
 - (a) Perform sub-project screening.
 - (b) Ensure qualified environmental and social specialists.
 - (c) Review findings of environmental and social assessments.
 - (d) Implement mitigation and management measures.
 - (e) Monitor environmental and social impacts throughout implementation.

All sub-projects and activities under Components 1 and 2 will undergo environmental and social assessment in line with Montenegrin legislation and the World Bank Environmental and Social Framework (ESF). The PMT will conduct screening, risk categorization, and preparation of appropriate E&S instruments, including supplementing already existing, to ensure material compliance with both national law and relevant ESS requirements.

Each sub-project and its activities must undergo environmental and social assessment compliant to this ESMF, and consequently the ESF, integrating stakeholder engagement activities including consultation and feedback. The Environmental and Social assessment follows the 5-step process to identify risks associated with specific sub-projects, screen out any high-risk activity, identify potential impacts and define mitigation measures to prevent or minimize negative impacts and determine the type of management instrument

required to meet the project standards. For implementation of planned sub-projects under Component 1 and 2 (infrastructure/hard components) the following 5 steps concerning the E&S assessment process must be undertaken:

Step 1. Sub-project screening and risk classification

Eligible sub-projects that have successfully passed the Exclusion List will subsequently undergo environmental and social (E&S) screening. Based on the screening results, the PMT will propose the appropriate E&S instruments for each sub-project, following the guidance provided in the Risk Classification Matrix (Table 9). The proposed risk classification and corresponding E&S instruments will be submitted to the World Bank for review and approval. The classification will consider factors such as project type, location, environmental and social sensitivity, and project scale. Final endorsement of the risk category and instrument selection rests with the World Bank

According to the Regulation on Projects for which Environmental Impact Assessment is required (Official Gazette of Montenegro No. 20/07 and 47/13, 53/14), certain sub-projects under Component 1 and Component 2 may fall under List I (requiring mandatory full EIA) or List II (requiring screening to determine EIA need), specifically under:

- Item 12. *Infrastructural projects*: b) urban development projects, including commercial, business, and sales centers with a usable area exceeding 1,000 m² (hotels, religious buildings, facilities for education, science, health, culture, social welfare, theaters, cinemas, exhibition halls, and others).
- Item 15. *Other projects*: a) all projects located within protected natural areas or the protected environment of immovable cultural goods.

Cross-reference: See also Chapter 3 of this ESMF for full national EIA requirements and how they apply to CRFADS.

The screening procedure will result in the project being classified in one of the following categories:

Table 9. Matrix of risk classification for eligible subprojects

Risk level of sub-project	Description	Eligibility /E&S instruments
1. Low risk	<p>Sub-projects with negligible environmental and social impacts for which an environmental impact assessment is not necessary. Activities that are neither on List I or II of the Regulation on Projects for which Environmental Impact Assessment is NOT required.</p> <ul style="list-style-type: none"> - adaptation works; - Not located in protected environments or near cultural heritage sites. <p>not located in socially sensitive areas nor requires land acquisition and resettlement, and any historic land acquisition has not been undertaken in anticipation or direct relation to the Project.</p>	<p>Eligible for financing. No formal EIA required.</p> <p>PMT will prepare a Checklist ESMP. SEP and LMP will be implemented.</p>
2. Moderate risk	<p>Sub-projects with manageable, temporary, and localized E&S impacts. Typically falling under List II.</p> <ul style="list-style-type: none"> - Construction/Reconstruction works. - Rehabilitation or reconstruction of the Paying Agency or similar public service buildings. - Located in non-sensitive environments. - Not located in socially sensitive areas - Might require minor land acquisition without removing informal occupants of public land or requiring physical and economic displacement 	<p>Eligible for financing. It is necessary for PMT to develop Checklist ESMP or ESMP. SEP and LMP is to be implemented and RAP prepared and implemented. The beneficiaries will submit request to the relevant authority for deciding whether the EIA under national Law is required, and PMT will follow up these activities.</p> <p><i>In case of sub-projects located in the area of protected cultural and historical entity CHMPs for each individual sub-project.</i></p>
3. Substantial risk	<p>Sub-projects with potentially significant impacts. Likely to fall under List I.</p> <p>Potential List I projects (mandatory full EIA):</p> <ul style="list-style-type: none"> - New major facilities, such as the Animal By-Product (ABP) facility, if thresholds are exceeded (e.g., waste treatment capacity or large processing areas). - Large-scale port infrastructure exceeding List I thresholds or causing cumulative marine/coastal impacts. <p>Potential List II projects (screening required):</p> <ul style="list-style-type: none"> - Rehabilitation or reconstruction of the Paying Agency or similar public buildings in environmentally sensitive areas or protected cultural zones. - Construction exceeding 1,000 m² built area or located in protected areas. - HAS historic land acquisition cases, - Requires land acquisition and resettlement(both economic and physical) 	<p>Eligible for financing. PMT to prepare ESIA/ESMP). Existing ESIA/ESMPs will be reviewed and revised for Project ESMF compliance.</p> <p>Site specific RAPs will be prepared and implemented before the Contracts for civil works are signed.</p> <p>In addition, specific management plans will be developed in line with the requirements of this ESMF. PMT will procure an EIA as required as per the national legislation. national legislation.</p>

4. High risk	Sub-projects likely to have highly significant, diverse, and/or long-term adverse impacts on human health and natural environment, the magnitude of which is difficult to determine at the sub-project identification stage. These impacts may also affect a wider area beyond the sub-project locations. Measures for mitigating such environmental risks may be complex and require significant financial costs.	Not eligible for financing.

Screening according to the World Bank risk classification identifies that sub-projects under Component 1 and 2 are expected to be mostly of substantial and moderate risk.

Final decision on required E&S instruments and documentation will be made by PMT senior Environmental and social specialist and Social Development Specialist on a case-by-case basis and confirmed by the Bank team.

Step 2. Sub-Project Preparation

The PMT will engage a qualified consulting company to prepare the technical documentation required for the implementation of sub-projects under Components 1 and 2.

Before initiating the implementation of any sub-project, the Consultant will prepare all necessary technical documentation, including:

- A detailed technical description of the sub-project;
- Design drawings and specifications;
- A time schedule for works implementation.

In preparing the technical documentation, the Consultant should integrate ESS4, ESS10 and ESS2 along with the relevant provisions of **ESS3 (Resource Efficiency and Pollution Prevention and Management)**, including:

- **Resource efficiency measures** (energy efficiency, water use minimization, and material efficiency);
- **Pollution prevention and control measures** (to minimize air, water, and soil pollution during both construction and operation);
- **Waste management practices** (addressing both construction and operational waste);
- Application of **Good International Industry Practice (GIIP)** and **World Bank Group Environmental, Health and Safety Guidelines (EHSGs)**.

Additionally, any required permits and approvals issued by competent national or municipal authorities for the sub-project will be obtained by the respective beneficiaries (or the PMT, depending on the type of activity and regulatory responsibility).

The PMT will oversee and coordinate this process to ensure that all documentation and approvals are fully aligned with national legislation, the requirements of the ESMF, and the **resource efficiency and pollution control principles outlined in ESS3**.

Step 3. Preparation of E&S instruments

The types and scope of instruments will depend on the environmental and social risk classification determined during the screening process (Step1), and will reflect the nature and magnitude of potential impacts, as well as site-specific conditions.

Component 1: Development of the Fishing Port of Ulcinj

- **Substantial risk activities** have undergone preparation of comprehensive/Full Environmental and Social Impact Assessments (ESIAs) and/or robust Environmental and Social Management Plans (ESMPs), subject to World Bank prior review and approval. (**Link to ESIA Disclosure – MAFWM Website**)](<https://www.gov.me/clanak/elaborat-procjene-uticaja-na-zivotnu-sredinu-za-projekat-izgradnje-ribarske-luke-na-rtu-deran>).
- Special attention has been given to marine biodiversity, community health and safety (including traffic and marine safety), labor influx, and potential impacts on local livelihoods.

Component 2: Animal By-product Facility and reconstruction/construction of paying agencies)

- **Moderate to substantial risk activities** (e.g., construction or rehabilitation of paying agencies) will

require site-specific ESMPs or, where appropriate, Environmental and Social Management Plan Checklists (ESMP Checklists) for standardized small-scale works.

- If the Animal By-Product (ABP) facility site is confirmed and advanced to design phase, an ESIA will be prepared in accordance with ESS1 and national Environmental Impact Assessment requirements. It will require preparation of comprehensive/Full Environmental and Social Impact Assessments (ESIAs) and/or robust Environmental and Social Management Plans (ESMPs), subject to World Bank prior review and approval. The process will follow the same level of engagement as been done the fishing port.
- Labor and working conditions, Occupational health and safety (OHS), waste management (including hazardous and organic wastes), biosecurity, and community health and safety risks will be key considerations.

Component 3: Capacity Building and Technical Assistance

- Activities under this component will not trigger significant direct E&S risks, but will integrate social inclusion measures, SEA/SH prevention, labor management standards, and stakeholder engagement principles into all training, technical assistance, and capacity building activities.
- Any potential risks (e.g., exclusion, SEA/SH) will be managed through the application of the SEP, LMP, and Codes of Conduct.

All documents need to be prepared in Montenegrin and English language. When confident that the documents meet WB quality and content requirements, the environmental and social specialist submits the draft documents in English language for the review by the World Bank.

The processes for reaching and informing potentially impacted persons and communities will be amended by WB principles, and by actively engaging with these persons/groups, especially with vulnerable groups. These aspects are addressed in this ESMF, under the provisions for Grievance Redress Mechanism and Social Risk mitigation measures and through the Stakeholder Engagement Plan (SEP).

The preparation of E&S instruments for CRFADS sub-projects will follow the risk-based approach established in this ESMF, fully aligned with the World Bank Environmental and Social Framework (ESF) and good international practice.

Step 4. Integration of ESIA / ESMP / ESMP Checklist and Respective Management Plans into Tender Documents

For each sub-project, the approved Environmental and Social Assessment documents—whether an Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), or ESMP Checklist, together with any relevant management plans (e.g., Waste Management Plan, Pollution Prevention Plan, Resource Efficiency Plan)—will be finalized prior to the initiation of the procurement process.

These finalized E&S instruments will be:

- Publicly disclosed and consulted upon in accordance with the requirements of the ESMF, ESS1, and the project's Stakeholder Engagement Plan (SEP).
- Cleared by the World Bank and relevant national authorities where applicable.

Once cleared, the ESIA/ESMP/ESMP Checklist and associated management plans will be integrated into the tender documentation for the relevant sub-projects. These documents will also form part of the contractual obligations for the selected contractors and their sub-contractors.

All bidders will be required to:

- Demonstrate that all mitigation and management measures outlined in the E&S instruments have been adequately costed and accounted for in their proposals.

- Commit to compliance with the specified environmental and social mitigation measures throughout project implementation.

The contract agreements will include:

- The Standard World Bank Bidding Document (SBD) clauses promoting enhanced environmental, social, health, and safety (ESHS) performance.
- Additional clauses in the Particular Conditions of Contract, which will specify:
 - The requirement for contractors to appoint qualified ESHS personnel responsible for implementing the ESMP and relevant management plans.
 - A contractual obligation to comply with national legislation, World Bank Environmental and Social Standards (ESSs), and Good International Industry Practice (GIIP).
 - A particular focus on ESS3 provisions related to resource efficiency, pollution prevention, and waste management.
 - Reporting and monitoring requirements, including cooperation with the PMT, Supervision Engineer, and relevant authorities.

The Project Management team (PMT), through its Environmental and Social (E&S) Specialists, will:

- Oversee the integration of the E&S instruments into tender documents.
- Review and approve the environmental and social sections of the contractor's Contractor ESMP (C-ESMP), including detailed strategies for E&S risk management.
- Supervise the contractor's environmental and social performance throughout the execution of works.

This approach ensures that environmental and social risk management is fully embedded into the procurement and implementation phases of the CRFADS Project and that contractors are contractually bound to adhere to the approved mitigation and management measures.

Step 5. Implementation, project supervision, monitoring and reporting

The Contractor (and all its sub-contractors) will be responsible for implementing the Environmental and Social mitigation measures and monitoring activities outlined in the approved Environmental and Social Management Instruments for each sub-project, which may include the ESIA/ESMP or ESMP Checklist, depending on the sub-project's risk level.

The Contractor must ensure that all activities are carried out in full compliance with both Montenegrin environmental and social legislation and the World Bank's Environmental and Social Framework (ESF).

Contractor ESMP (C-ESMP)

Before commencing civil works, the selected Contractor will prepare a Contractor's Environmental and Social Management Plan (C-ESMP), subject to review and approval by the PMT Senior Environmental and Social (E&S) Specialist.

The C-ESMP will detail how the Contractor will comply with the ESIA/ESMP or ESMP Checklist and relevant ESF requirements. It will include management strategies and implementation plans addressing the following key Environmental and Social (E&S) risk areas identified for CRFADS:

- **Pre-construction obligations**, including implementation of any required Resettlement Action Plan (RAP) by the PMT and confirmation of full payment of compensation to all eligible Project-Affected People (PAPs) prior to the commencement of works (ESS5).
- **Waste management** (including hazardous and non-hazardous waste; organic/agricultural waste where relevant — ESS3).
- **Noise, dust, and vibration control**, with attention to sensitive receptors including children, elderly, and persons with disabilities (ESS4).
- **Water and soil pollution prevention**, including runoff and spill prevention (ESS3).
- **Air emissions control**, particularly measures to reduce particulate matter during works (ESS3).
- **Energy efficiency and resource management**, promoting efficient use of materials and minimizing resource consumption (ESS3).
- **Community health and safety protocols**, including traffic and road safety, communicable disease prevention, and emergency response planning (ESS4).
- **Occupational health and safety (OHS) measures**, including provision of Personal Protective Equipment (PPE), safe work procedures, and compliance with the Labor Management Procedures (LMP) and ESS2.
- **Labor and working conditions**, including non-discrimination, worker grievance redress, and prohibitions against child and forced labor (ESS2).
- **SEA/SH prevention**, including a Code of Conduct for all workers and mandatory SEA/SH awareness training (ESS2, ESS4).
- **Chance Finds Procedure (CFP)** for addressing any unexpected cultural heritage discoveries during excavation or construction works (ESS8).

A proposed content outline for the C-ESMP is provided in Annex 3 of the ESMF.

Supervision, Monitoring, and Reporting

The Supervision Engineer (either under the works contract or separately engaged) and the PMT E&S Specialists will conduct regular supervision of the Contractor's performance and verify compliance with the ESMP/ESMP Checklist, the C-ESMP, and any applicable RAP. A template for the Environmental and Social Monitoring Plan will be used by the Supervision Engineer for submission to the PMT.

The Supervision Engineer will submit regular reports (monthly or as otherwise agreed) to the PMT, summarizing:

- E&S compliance status;
- RAP implementation progress, including confirmation of compensation payments, delivery of resettlement assistance, livelihood restoration measures, and any corrective actions;
- E&S incidents or near misses;
- Grievances received and addressed (community and workers);

- Any corrective actions taken or recommended.

The PMT will perform its own site inspections, review Contractor and Supervision Engineer reports, and maintain detailed records. Any identified non-compliance will be addressed promptly. The PMT E&S Specialists will also verify RAP implementation and compliance during supervision missions.

Relevant national authorities (e.g., environmental protection agencies, cadaster and property authorities, labor inspectorates) may conduct inspections as required, coordinated with the PMT.

Reporting to the World Bank

The PMT will compile and submit regular Environmental and Social performance reports to the World Bank, at least annually or more frequently as agreed. These reports will include:

- Status of ESIA/ESMP/ESMP Checklist and C-ESMP implementation;
- Summary of supervision findings;
- Status of RAP implementation, including compensation payments, resettlement assistance, livelihood restoration, and any additional impacts arising from changes in project footprint;
- Status of grievance redress mechanisms (public GRM and Workers' GRM), including RAP-related grievances;
- Any reported E&S incidents and corrective actions taken;
- Stakeholder engagement activities, with emphasis on outreach to vulnerable groups.

The reporting frequency and format may be adjusted in agreement with the World Bank, depending on PMT performance and the complexity of subproject activities.

6.2. ENVIRONMENTAL AND SOCIAL DUE DILIGENCE STATUS

The Environmental and Social Management Framework (ESMF) has been developed in close cooperation with the relevant ministries and line agencies of Montenegro. The ESMF will be publicly disclosed and will undergo a public consultation process in both English and Montenegrin, consistent with World Bank Environmental and Social Framework (ESF) requirements and national legislation. The draft ESMF will be published on the Ministry of Agriculture, Forestry and Water Management's website and will be available in hard copy at its premises. Details of the public consultation process will be presented in **Chapter 9** of this ESMF once completed.

The CRFASD builds upon the experience of the MIDAS and MIDAS2 Projects, previously implemented under the World Bank's Safeguard Policies. In contrast, CRFASD is prepared under the updated ESF, which introduces more comprehensive risk management and stakeholder engagement requirements.

Significant preparatory work was undertaken under MIDAS2 to ensure CRFASD's implementation readiness, including the preparation of feasibility studies, technical designs, market studies, business plans, and technical specifications for priority infrastructure investments such as:

- The Fishing Port in Ulcinj,
- The Animal By-Product (ABP) Facility,
- The Paying Agency Regional Offices (PAROs).

During project preparation, the following environmental and social due diligence activities have been completed, and the next steps for further due diligence have been clearly defined:

- **Fishing Port in Ulcinj: Fishing Port in Ulcinj (Cape Đeran)**

A full EIA including an Environmental and Social Management Plan (ESMP), was completed, approved, and disclosed for the Fishing Port (FP) in Ulcinj in December 2023, in line with Montenegrin legislation. Nevertheless, the FP is a strategic investment that may generate broader development activities—such as fisheries expansion, tourism-related services, or associated facilities (e.g., access roads, utility connections, auxiliary infrastructure). For this reason, the ESMF does not duplicate the general impact assessment already carried out under the approved national EIA, which adequately addressed environmental risks required by Montenegrin legislation, although aligned with the World Bank’s ESF. Instead, the ESMF builds on this foundation to ensure that any gaps identified in the EIA—such as insufficient integration of biodiversity criteria in the alternatives analysis, limited clarity on water quality impacts, or outdated baseline data and consultations and consideration of associated facilities—are addressed in line with the World Bank ESF. The ESMF therefore provides the framework for preparing supplementary assessments and management plans to secure full compliance with ESS1 and other relevant standards, particularly for associated facilities or design modifications not previously covered. Accordingly, a supplementary ESIA/ESMP will be prepared once final designs and associated facilities are confirmed and will be integrated in its revised form in the bidding and contract documents for all relevant works and supervision activities. This supplementary assessment will:

- ✓ Apply the screening procedures and exclusion criteria defined in this ESMF;
 - ✓ Integrate biodiversity-sensitive alternatives analysis (ESS1, ESS6);
 - ✓ Clarify and monitor biodiversity and water-quality impacts across construction and operation phases;
 - ✓ Incorporate site-specific seismic risk studies to ensure that structural design and safety measures reflect the high seismic sensitivity of the project area
 - ✓ Assess cumulative effects, including downstream tourism and fisheries-related pressures;
 - ✓ Identify and manage potential land acquisition, access restrictions, or livelihood impacts in line with the Project Resettlement Policy Framework (ESS5); and
 - ✓ Strengthen monitoring and reporting on community health and safety risks (ESS4).
 - ✓ Apply the **Interim Guidance Note on Projects in or near Protected Areas (2025)** to ensure no significant adverse impacts on Ulcinj Salina and other sensitive habitats.
 - ✓ Conduct updated stakeholder consultations (ESS10).
 - ✓ This ensures that the FP subproject not only remains compliant with Montenegrin requirements but also fully aligns with the due diligence and risk management standards of the World Bank ESF throughout design finalization, construction, and operation.
- **Animal By-Product (ABP) Facility and Paying Agency Regional Offices (PAROs):** Final designs for the ABP Facility and the new PAROs are not yet available. Consequently, site-specific environmental and social assessments for these activities cannot be prepared at this stage.
 - **Until final designs and locations are confirmed,** the management of environmental and social risks for the ABP Facility will be fully guided by this ESMF. Once available, site-specific ESIAs and/or ESMPs will be prepared, consulted, and disclosed following ESS1 requirements.

In addition to these subproject-specific actions, the following cross-cutting environmental and social framework instruments have been prepared:

- **Stakeholder Engagement Plan (SEP);**
- **Environmental and Social Commitment Plan (ESCP);** and
- **Labor Management Procedures (LMP).**

All environmental and social instruments — including the ESMF, SEP, ESCP, and LMP — will be publicly disclosed in both English and Montenegrin prior to Project Appraisal, in accordance with World Bank ESF requirements and applicable national laws.

7. ESMF Implementation Procedure

7.1. IMPLEMENTATION INSTITUTIONS

The Ministry of Agriculture, Forestry and Water Management (MAFWM) will serve as the lead Implementing Agency for the Climate Resilient Fisheries and Agrifood Sector Development (CRFASD) Project. It will have overall responsibility for project management and implementation. Following the implementation structure established under the ongoing MIDAS2 Project, relevant Directorates and Administrations within the MAFWM will be responsible for the technical implementation of CRFASD activities. Their tasks will include preparing terms of reference and technical specifications, supervising consultants and advisors, preparing training programs, participating in procurement evaluation committees, and ensuring technical quality of project outputs. The current PMT—an experienced and well-performing team that has successfully managed the implementation of the MIDAS and MIDAS2 projects—and will continue to support the implementation of CRFASD, reinforced with additional staff to respond to the diversity and complexity of this project. The project team is shown below.

Project implementation will be carried out through the following institutional structures:

- **Project Management team (PMT):**

The Project Management team (PMT), established under the Ministry of Agriculture, Forestry and Water Management (MAFWM) for the implementation of the former MIDAS and the ongoing MIDAS2 Project, will continue to serve as the core unit responsible for the day-to-day management of the CRFASD Project.

Existing PMT Staff (from MIDAS2)

- ✓ Project Manager
- ✓ Senior Civil Engineer (part-time)
- ✓ Senior Monitoring & Evaluation Specialist
- ✓ Senior Environmental and Social Specialist (part-time)

Additional PMT Staff for CRFASD

- ✓ Civil Engineer (full-time)
- ✓ Social Development Specialist (full-time)
- ✓ Animal By-Product (ABP) Specialist (veterinary expertise)

Building on its demonstrated capacity and institutional memory, the PMT will be strengthened with these additional staff and technical expertise to ensure effective implementation of the CRFASD Project.

The PMT will be responsible for:

- Technical coordination and oversight of all project components;
- Management and oversight of environmental and social (E&S) safeguards, including implementation and monitoring of all ESF instruments (e.g., ESMF, SEP, LMP, ESCP);
- Operation and administration of the Project Grievance Redress Mechanism (GRM), including the intake, processing, resolution, and reporting of grievances;

- Monitoring, evaluation, and reporting on project performance, including safeguards compliance and grievance trends;
- Stakeholder engagement, citizen feedback, and public disclosure mechanisms;
- Communication and coordination with relevant national and municipal stakeholders;
- Liaison with the World Bank and development partners on project implementation progress and compliance matters.

In addition, the PMT may contract external consultants or advisory firms to provide specialized inputs in areas such as feasibility studies, infrastructure design and supervision, digital system support, training delivery, information dissemination, consultation and grievance management, and fiduciary advisory services.

Fiduciary functions, including procurement and financial management, will continue to be centralized under the Technical Services Unit (TSU) within the Ministry of Finance, as was the case under MIDAS2. The PMT will work closely with the TSU to ensure timely procurement processing, disbursement, and financial accountability in line with World Bank requirements.

All environmental and social (E&S) requirements—including those outlined in the ESIA/ESMP, occupational health and safety provisions, and chance finds procedures—will be systematically integrated into bidding documents and contracts. The TSU, under the guidance of the PMT, will ensure that these requirements are incorporated using the World Bank's Standard Procurement Documents (SPDs), which include mandatory clauses for E&S management. This ensures that contractors carry direct contractual responsibility for implementing mitigation and monitoring measures, while the PMT retains oversight and accountability for verifying compliance and ensuring alignment with both the World Bank Environmental and Social Framework (ESF) and national legislation.

Technical Support Unit (TSU):

The Technical Services Unit (TSU) under the Ministry of Finance will retain full responsibility for procurement and financial management under the CRFASD Project. This arrangement builds on the well-established fiduciary implementation model used successfully during MIDAS and MIDAS2. The TSU will:

- Manage all procurement processes in accordance with World Bank Procurement Regulations
- Oversee disbursement and financial transactions
- Ensure compliance with fiduciary standards and internal controls
- Support financial reporting, budgeting, and audit requirements

The TSU has demonstrated strong institutional capacity and will continue to work closely with the PMT, ensuring streamlined coordination and fiduciary oversight throughout project implementation.

Implementing Directorates and Agencies:

Several technical directorates and agencies under the Ministry of Agriculture, Forestry and Water Management (MAFWM) will lead the implementation of their respective areas in accordance with their legal mandates and technical competencies:

- **Directorate for Fisheries (DfF):** Responsible for implementation of activities under Component 1, including the construction and operation of the fishing port in Ulcinj, development of post-harvest infrastructure, and capacity building for fishers and fisheries associations.

- **Directorate for Payments (DfP):** Leads activities under Component 2.1, focused on the establishment and operationalization of a fully functional Paying Agency and the upgrade of the Integrated Administration and Control System (IACS).
- **Authority for Food Safety, Veterinary and Phytosanitary Affairs (AFSVPA):** Responsible for the implementation of Component 2.2, which includes the development and operationalization of the Animal By-product (ABP) management system, aligned with EU regulatory frameworks.
- **Directorate for Rural Development (DfRD):** May provide supporting functions to ensure alignment of CRFASD institutional activities with broader rural development policies and Common Agricultural Policy (CAP) frameworks.

Each entity will lead technical aspects of the activities within their scope, while working in close coordination with the PMT.

Interagency Collaboration and Partnerships:

The MAFWM and the PMT will collaborate with key international and national stakeholders to leverage technical expertise and ensure harmonization with EU and global best practices. This includes:

- European Union Delegation to Montenegro
- Food and Agriculture Organization (FAO)
- Other development partners active in agriculture, fisheries, and institutional development

This partnership approach will strengthen capacity building, policy alignment with EU directives, and knowledge exchange in key areas such as fisheries governance, food safety, and climate resilience.

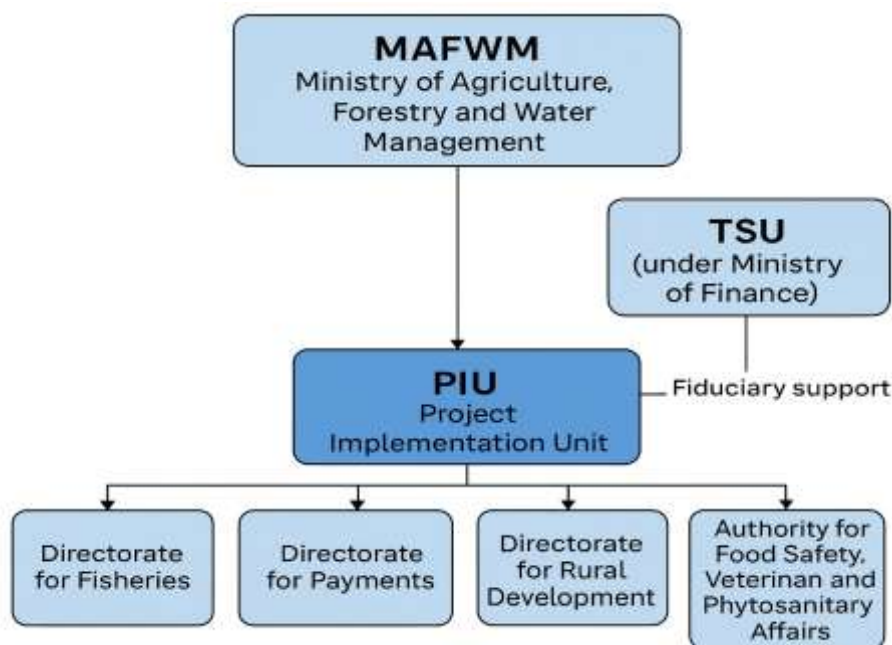


Figure 1: CRFADS Project

implementation structure, schematic illustration

Environmental and Social Risk Management

The PMT, operating under the Ministry of Agriculture, Forestry and Water Management (MAFWM), will be responsible for overseeing environmental and social (E&S) risk management during the implementation of the Climate Resilient Fisheries and Agrifood Sector Development (CRFASD) Project.

Their core responsibilities will include:

- Coordinating and leading the preparation, implementation, and monitoring of environmental and social instruments—such as Environmental and Social Impact Assessments (ESIAs), Environmental and Social Management Plans (ESMPs), Labor Management Procedures (LMPs), and the Stakeholder Engagement Plan (SEP)—ensuring effective collaboration across relevant disciplines and stakeholders, particularly for complex and multidisciplinary assessments like the ESIA.;
- Ensuring continuous compliance with the Environmental and Social Commitment Plan (ESCP) and full adherence to all applicable World Bank Environmental and Social Standards (ESS1–ESS10);
- Integrating environmental and social requirements into bidding documents and contracts for infrastructure works and consulting services, ensuring that contractors and service providers are contractually bound to implement E&S mitigation measures;
- Overseeing, together with the Supervision Consultant, the effective implementation of E&S mitigation measures by contractors during construction and operational phases, including management of labor and working conditions, occupational health and safety (OHS), community health and safety, and grievance redress;
- Supporting the delivery of the Stakeholder Engagement Plan (SEP), ensuring that consultations are inclusive, culturally appropriate, gender-sensitive, and accessible to disadvantaged and vulnerable groups;
- Monitoring and reporting on the implementation of climate adaptation measures, gender equality initiatives, and social inclusion actions in accordance with the Project’s Results Framework, Environmental and Social Management Framework (ESMF), and the ESF requirements;
- Coordinating and supervising the Grievance Redress Mechanism (GRM), including grievance intake, tracking, resolution, and reporting, with particular attention to grievances involving vulnerable groups and any cases related to Sexual Exploitation, Abuse, and Harassment (SEA/SH). Clear responsibilities for the GRM will be assigned at three levels: (i) the PMT level, where the Environmental and Social Specialists will oversee and consolidate grievance management; (ii) the Municipality level, where designated focal points will serve as local admission desks for grievance intake and first-line response; and (iii) the Site level, where contractors will be responsible for maintaining grievance logbooks and reporting site-specific complaints related to construction activities).

The PMT will maintain overall responsibility for environmental and social risk management, stakeholder engagement, and grievance handling throughout project implementation, ensuring that all activities are executed in a timely, transparent, and compliant manner.

Capacity Building and Knowledge Transfer

The project will finance training programs and technical assistance for key institutional stakeholders (MAFWM directorates, municipalities, inspectors, and sector regulators), as well as for project beneficiaries such as fishers, agribusinesses, and women entrepreneurs. Capacity building activities will include:

- EU-compliant fisheries and food safety governance
- Operation of climate-resilient infrastructure
- Digital tools and data systems (e.g., fishers’ registry, IACS upgrades)
- Environmental management and ESF implementation

7.2. MONITORING AND REPORTING

The Project Management team (PMT) under the Ministry of Agriculture, Forestry and Water Management (MAFWM) will play a crucial role in project monitoring, reporting, and evaluation. It will carry out these responsibilities through its internal staff along with external expertise that will be hired as per the project

needs, and with technical support of financial and procurement aspects from the Technical Services Unit (TSU). The PMT will be responsible for establishing and maintaining a robust Monitoring and Evaluation (M&E) system to track implementation progress, assess results, and ensure timely reporting across all project components.

The M&E system will align with the Results Framework outlined in the Project Appraisal Document (PAD) and will incorporate indicators related to project development objectives, disaggregated by gender where relevant, and climate co-benefits. The system will also monitor performance against agreed intermediate results and environmental and social commitments under the Environmental and Social Commitment Plan (ESCP).

The PMT will be responsible for:

- Collecting and consolidating data across all components and subcomponents.
- Tracking project outputs, outcomes, and compliance with World Bank fiduciary and ESF requirements.
- Reporting regularly on the achievement of targets and results, including on gender, citizen engagement, and climate action.

In addition to the PMT and TSU, the M&E system will rely on regular inputs from key implementing institutions, including the Directorate for Fisheries (DfF), Directorate for Payments (DfP), the Authority for Food Safety, Veterinary and Phytosanitary Affairs (AFSVPA), the working Groups (WG) and municipal governments in Ulcinj, Bar, and Nikšić. These entities will designate focal points responsible for collecting and submitting monitoring data from their respective areas, including local consultations, safeguards implementation, and infrastructure progress. Their inputs will be consolidated by the PMT into periodic reports.

The PMT will prepare quarterly and semi-annual progress reports for submission to the World Bank. The specific reporting requirements, formats, and timelines will be detailed in the Project Operational Manual (POM), which will be finalized shortly after project effectiveness. Until the POM is adopted, interim reporting will follow the World Bank's requirements and agreed-upon arrangements during supervision. These reports will support effective project monitoring, inform World Bank supervision missions, and facilitate adaptive management throughout project implementation.

The PMT will also oversee:

- A mid-term review of project implementation (to be conducted jointly with the World Bank and key stakeholders).
- A final project evaluation, including beneficiary feedback and lessons learned, to guide future investments and reforms in the fisheries and agrifood sectors.

This structured approach to M&E will ensure transparency, accountability, and evidence-based decision-making throughout the project lifecycle

Table 10: CRFADS Project – Environmental and Social Roles and Responsibilities

Responsible Entity	Key Responsibilities
Ministry of Agriculture, Forestry and Water Management (MAFWM) / PMT	<ul style="list-style-type: none"> - Ensure overall compliance with the ESMF and other ESF instruments. - Oversee environmental and social monitoring, evaluation, and reporting. - Maintain coordination with the World Bank and other stakeholders. - Supervise the implementation of site-specific ESMPs, ESMP Checklists, and any additional required management plans. - Manage the Grievance Redress Mechanism (GRM) and ensure timely resolution of grievances. - Provides trainings and capacity buildings activities
PMT Environmental and Social (E&S) Specialists	<ul style="list-style-type: none"> - Lead the development and review of sub-project E&S instruments (ESIA/ESMPs, ESMP Checklists) and management plans - Provide technical guidance to contractors on identifying, assessing, and mitigating E&S risks. - Conduct environmental and social supervision including document reviews and site visits (at least monthly).

	<ul style="list-style-type: none"> - Ensure environmental and social supervision of activities as mandated by environmental permits, laws and project-specific ESF documents - Follow up with site supervisors - Hold regular meetings with contractors, supervision engineers, and beneficiaries. - Prepare and submit E&S monitoring reports. - Respond to World Bank requirements and liaise with the Head of PMT.
Social Development Specialist	<p>Leads stakeholder engagement activities as defined in the SEP; ensures inclusion of vulnerable groups in consultations; prepares and maintains the Stakeholder Engagement Log (SEL); coordinates municipal and site-level focal points for GRM; ensures timely disclosure of social instruments (RPF, RAPs, SEP updates).</p> <ul style="list-style-type: none"> - Hold regular meetings with contractors, supervision engineers, and beneficiaries. - Provide technical guidance to contractors on identifying, assessing, and mitigating E&S risks. - Prepare and submit E&S monitoring reports. - Respond to World Bank requirements and liaise with the Head of PMT.
Supervision Engineer / Engineer of Record	<ul style="list-style-type: none"> - Supervise the Contractor's adherence to ESHS requirements and mitigation measures. - Review and approve the Contractor's ESMP (C-ESMP) ensuring consistency with the ESMP / ESMP Checklist. - Report regularly to the PMT on E&S compliance and performance. - Participate in joint monitoring visits and follow up on corrective actions.
Contractor	<ul style="list-style-type: none"> - Prepare and implement a Contractor ESMP (C-ESMP) covering all mitigation measures from the ESMP / ESMP Checklist and any additional management plans. - Ensure the application of appropriate occupational health, safety, social, and environmental practices. - Train workers on OHS, Codes of Conduct, SEA/SH prevention, and waste management. - Operate a Workers' GRM and ensure workers' awareness. - Report regularly to the Supervision Engineer on E&S performance and incidents.

World Bank Implementation Support

The World Bank will provide implementation support for the CRFADS Project through the following activities:

- Close coordination with the PMT established under the Ministry of Agriculture, Forestry and Water Management (MAFWM);
- Regular review of implementation performance and progress;
- Conducting implementation support missions and technical field visits;
- Facilitating knowledge exchange and sharing of best practices;
- Providing supervision and support related to procurement processes and financial management.

The World Bank's environmental and social specialists will provide ongoing technical support and oversight throughout the Project implementation period. They will review and clear all Environmental and Social Framework (ESF) instruments prepared by the PMT or its consultants, including the ESMF, SEP, LMP, site-specific ESMPs, ESIA, RAPs and any required management plans.

Formal implementation support missions and field visits will ensure that the environmental and social risk management processes are consistent with World Bank requirements and Good International Industry Practice (GIIP). In addition to regular support missions, a Mid-Term Review (MTR) will be conducted by the World Bank to assess overall project progress, identify critical implementation challenges, and propose adjustments to the project design, components, or implementation timeline, as necessary.

The World Bank will also provide training on the Environmental and Social Framework (ESF) and relevant Environmental and Social Standards (ESSs) to strengthen the capacity of PMT staff. This capacity-building effort will support the PMT's effective preparation, implementation, and monitoring of all environmental and social instruments under the Project.

In parallel, the PMT ESF specialist will provide training and orientation on the implementation of environmental and social due diligence documents to all PMT staff and personnel from contractors and sub-contractors who are responsible for managing environmental and social issues on-site.

7.3. ESMF CAPACITY DEVELOPMENT AND TRAINING PLAN

While the PMT and key implementing agencies possess relevant experience from the MIDAS and MIDAS2 projects, the application of the World Bank Environmental and Social Framework (ESF) introduces new requirements that necessitate additional capacity building. The CRFADS project will implement a targeted Capacity Development and Training Plan, which will include:

For PMT and implementing directorates:

- ESF and Environmental and Social Standards (ESS) compliance, including roles, responsibilities, and reporting (ESS1–ESS10)
- Preparation and implementation of site-specific ESIAs, ESMPs, ESMP Checklists, RAPs and Contractor ESMPs (C-ESMPs) (ESS1)
- Occupational health and safety (OHS) standards and monitoring (ESS2)
- Community health and safety measures (ESS4)
- Environmental management, including pollution prevention, waste management, and resource efficiency (ESS3)
- Gender, social inclusion, and Sexual Exploitation, Abuse, and Harassment (SEA/SH) prevention (ESS2, ESS4)
- Stakeholder engagement and Grievance Redress Mechanism (GRM) operations and documentation (ESS10)
- Environmental and social incident reporting, including serious incidents (using World Bank reporting templates)

For Contractors and Supervision Engineers:

- Preparation, approval, and implementation of Contractor Environmental and Social Management Plans (C-ESMPs), aligned with site-specific ESMPs/ESMP Checklists (ESS1)
- Occupational health and safety (OHS) procedures, workers' rights, and compliance with Labor Management Procedures (ESS2) and around specific construction risks
- Codes of Conduct for all workers, including SEA/SH prevention provisions, training, and enforcement (ESS2, ESS4)
- Accommodation and working conditions (ESS2)
- Environmental mitigation, pollution prevention, waste management, and resource efficiency measures (ESS3)
- Community health and safety measures, including traffic management and public safety (ESS4)
- Monitoring and reporting of environmental and social mitigation measures and compliance (ESS1, ESS3, ESS4)
- Stakeholder engagement at the site level and workers' grievance redress mechanisms (ESS2, ESS10)

- Chance Find Procedures for unexpected cultural heritage discoveries (ESS8))

For Municipalities and relevant agencies playing a role at the local level and Community Stakeholders:

- Roles and responsibilities in grievance management, including receiving, documenting, and referring grievances through the Project GRM (ESS10)
- Facilitating public engagement and supporting the implementation of the Stakeholder Engagement Plan (SEP) (ESS10)
- Participating in environmental and social monitoring at the community level, including reporting of potential incidents or non-compliance (ESS1, ESS4)
- Supporting dissemination of information and raising awareness about project activities, E&S mitigation measures, and rights of affected people (ESS10)
- Capacity building in stakeholder engagement techniques and accessible communication strategies, ensuring inclusion of vulnerable and disadvantaged groups (ESS10)
- Supporting consultations and information disclosure during preparation and implementation of site-specific E&S instruments (ESS1, ESS10)

Training Delivery:

Training will be delivered through workshops, on-the-job training, and field-based learning. The World Bank will provide initial ESF and ESS training to the PMT, with additional technical support provided by hired consultants and supervision experts as needed.

Monitoring Training Effectiveness:

The PMT will maintain comprehensive training records, including participant lists, training materials, and attendance logs. To ensure that capacity building translates into improved environmental and social management performance, the PMT will:

- Assess knowledge retention through periodic refresher sessions and feedback mechanisms.
- Evaluate the practical application of training content during routine supervision and monitoring missions.
- Document observations of improved practices or identify areas where further training is needed.
- Adjust and update the Capacity Development and Training Plan as necessary to respond to emerging challenges or knowledge gaps.

7.4. ESMF BUDGET FOR IMPLEMENTATION

The CRFADS Project will allocate sufficient and dedicated budgetary resources to ensure the effective implementation, supervision, and continuous improvement of the Environmental and Social Management Framework (ESMF). Budget allocations will cover all necessary environmental and social management activities across the project cycle, as summarized below:

ESMF Activity	Estimated Budget (EUR)	Funding Source
Preparation of site-specific ESIAs, ESMPs, and ESMP Checklists (including studies, consultations, and disclosures)	To be determined (TBD) per sub-project	Project budget
Capacity building and training for PMT, implementing agencies, contractors, municipalities, and community stakeholders	TBD	Project budget
Environmental and social supervision and monitoring (including site visits, reporting, and third-party verification as needed)	TBD	Project budget

Operation of the Grievance Redress Mechanism (GRM), including the Workers' GRM and any SEA/SH-sensitive reporting mechanisms	TBD	Project budget
SEA/SH prevention measures, Code of Conduct monitoring, and awareness campaigns	TBD	Project budget
Implementation of adaptive management measures for unexpected E&S risks or impacts (contingency reserve)	TBD	Project budget
Communication, disclosure, and stakeholder engagement activities	TBD	Project budget

Note: A detailed, activity-based budget breakdown will be developed and reflected in the Project Operational Manual (POM) upon Project Effectiveness. The POM will include cost estimates for each ESMF activity category, specifying annual and cumulative allocations, as well as identifying any potential co-financing sources (e.g., national budget allocations, donor support for capacity building or SEA/SH activities).

Integration of ESIA/ESMP Costs

The costs of implementing all mitigation measures specified in site-specific instruments (e.g., ESIA, ESMPs, ESMP Checklists) will be fully integrated into the construction costs of the respective contracts. This requirement will be specified in all bidding documents, ensuring that:

- Contractors are required to price and include all E&S mitigation, monitoring, and corrective measures in their bids;
- The Accepted Contract Amount will be deemed sufficient to cover full compliance with ESMP requirements and possible corrective actions determined during supervision;
- The Supervising Engineer and the PMT will verify during contract execution that E&S provisions are being implemented and financed adequately.

For the **Ulcinj Fishing Port**, the EIA (approved and disclosed in December 2023) included a comprehensive Environmental and Social Management Plan (ESMP). The implementation costs of this ESMP will be explicitly reflected in the port construction contract(s) and supervised by the PMT and Supervision Engineer to ensure accountability. Any additional requirements identified through the forthcoming **supplementary ESIA/ESMP** (covering associated facilities, biodiversity monitoring, and stakeholder engagement updates) will also have their implementation costs integrated into contract budgets.

8. Feedback And Grievance Redress Mechanism, Stakeholder Engagement, Disclosure, and Consultations

8.1. STAKEHOLDER ENGAGEMENT

The CRFADS project has a fully developed Stakeholder engagement framework composed of Stakeholder engagement plans (SEP) for the project components. The overall objective of the SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities or any activities related to the project.

The Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD) is designed to deliver comprehensive benefits to a diverse set of stakeholders across Montenegro. The primary geographic focus includes the coastal and central-northern municipalities of Ulcinj, Bar, and Nikšić, but the institutional reforms and environmental improvements are expected to generate broader impacts nationwide.

Stakeholders involved in the project can be categorized into three groups: Project-Affected Parties (PAPs), Other Interested Parties (OIPs), and vulnerable or disadvantaged groups. The project places strong emphasis on the inclusion and support of disadvantaged and vulnerable groups, in alignment with the World Bank's Environmental and Social Framework (ESF) and Gender Strategy.

➤ **Primary Direct Beneficiaries (Project-Affected Parties - PAPs)**

Small-Scale Fishers and Fisheries Associations

- Small-scale fishers and fisheries associations (including both formally registered and informal fishers), particularly those based in Ulcinj Municipality, will be key beneficiaries of the CRFASD Project through the construction of Montenegro's first climate-resilient fishing port at Cape Đeran. The new facility will provide regulated access to modernized landing sites, hygienic cold storage, ice production units, and essential services for vessel and gear maintenance. These investments aim to enhance occupational safety, raise hygiene standards, improve the marketability of fish products, and significantly reduce post-harvest losses, thereby increasing income opportunities for fishers. Special attention will be given to supporting the integration of informal fishers into formal market and regulatory structures through targeted outreach, technical assistance, and capacity-building activities. The facility will also contribute to climate resilience by incorporating environmentally sustainable infrastructure and operational practices, aligning with EU fisheries standards and supporting long-term sectoral development.

Livestock Farmers and Agrifood Enterprises

- Livestock farmers and agrifood enterprises, , will be among the key beneficiaries of the new national Animal By-Product (ABP) treatment facility to be constructed under the CRFASD Project. The ABP facility will support the safe, environmentally sustainable, and EU-compliant management of animal by-products, including carcasses, slaughterhouse waste, and materials not intended for human consumption. Access to the facility will be available nationwide, enabling livestock producers across Montenegro to safely dispose of animal by-products, thereby reducing illegal dumping, mitigating public and animal health risks, and supporting improved biosecurity. The facility will also be designed with climate-resilient features to ensure continuity of operations during extreme weather events. Over time, the ABP facility is expected to contribute to circular economy development by exploring opportunities for safe recycling and reuse of treated by-products. Complementary technical assistance will strengthen institutional capacity for ABP management, regulatory alignment with EU standards, and operational control systems, particularly within the Authority for Food Safety, Veterinary and Phytosanitary Affairs (AFSVPA). Local Agribusinesses, Cooperatives, and Producer
- **Organizations**
Operating in Bar and adjacent municipalities, these actors will gain from enhanced access to Paying Agency Regional Offices (PAROs), rural development funds, and institutional support aimed at improving compliance, service delivery, and market linkages. In addition, active organizations, NGOs, and community-based organizations (CBOs) working on environmental matters will be engaged as key stakeholders to support awareness-raising, monitoring, and participatory oversight of environmental and social performance.
- **Women and Youth Entrepreneurs**
The CRFASD Project will support women and youth entrepreneurs through targeted capacity-building activities, technical assistance, and training programs, particularly in areas such as post-harvest handling, processing, marketing, and agrifood value chain development.

Institutional Beneficiaries (Other Interested Parties - OIPs)

Several government institutions will be supported to strengthen service delivery, enhance compliance, and align with EU accession benchmarks, particularly under Chapters 11 (Agriculture), 12 (Food Safety), and 13 (Fisheries and Maritime Policy). These include:

- **Ministry of Agriculture, Forestry and Water Management (MAFWM), including:**

- **Directorate for Payments (DfP)** – administering direct payments and support to producers;
- **Directorate for Fisheries (DfF)** – leading fisheries policy, catch traceability, and registry creation;
- **Authority for Food Safety, Veterinary and Phytosanitary Affairs (AFSVPA)** – responsible for disease surveillance, ABP management, and compliance with EU food safety regulations.

These institutions will benefit from IT systems development, technical assistance, equipment upgrades, and staff training, thereby improving institutional readiness and service delivery capacities.

In addition to direct beneficiaries, close coordination will be required with other agencies whose mandates are essential for timely and successful project implementation, including:

- **Environmental Protection Agency (EPA)** – for environmental permits, approvals, and compliance monitoring;
- **Municipal authorities (Ulcinj, Nikšić, Bar)** – for construction permits, local services, and land-use planning;
- **Ministry of Ecology, Sustainable Development, and Northern Region Development** – for policy alignment, EIA approvals, and biodiversity protection;
- **Labor Inspectorates** – to ensure compliance with occupational health and safety and labor standards;
- **Cadastral and Property Agencies** – for land registration, tenure verification, and expropriation procedures where required;
- **National Parks of Montenegro / Nature Protection Authorities** – for biodiversity and protected areas oversight;
- **Public Health Institutes and local utilities** – for water quality monitoring, waste management, and public health safeguards.

By engaging these institutions through structured coordination mechanisms, the Project will ensure timely permitting, effective compliance with Montenegrin legal frameworks, and smooth implementation of project investments.

Indirect and Environmental Beneficiaries

- **Tourism-Dependent Enterprises (HoRACs)**
Hotels, restaurants, and cafés, particularly along the coast, are expected to benefit indirectly from improved waste management, environmental safeguards, and cleaner port environments, contributing to enhanced visitor appeal and tourism sector growth.
- **General Population and Visitors**
Citizens and tourists alike will benefit from cleaner coastal areas, reduced illegal dumping of ABPs, improved food safety practices, and more resilient value chains across Montenegro.

Social Inclusion and Vulnerable Groups

In line with the World Bank's ESS10 and Gender Strategy (2024–2030), the CRFASD project embeds inclusive measures across all components:

- Women's participation will be promoted in infrastructure planning, port management committees, and training schemes.
- Women-led agrifood and fisheries businesses will receive support through tailored technical assistance, training opportunities, simplified registration processes, and advisory services.
- Youth, Roma communities, informal fishers, and persons with disabilities or low literacy will be engaged through culturally adapted outreach, mobile consultations, and partnerships with civil society organizations, using communication methods tailored to their skills, IT literacy levels, and access to technology.

- The SEP includes specific engagement mechanisms for vulnerable groups, with their participation tracked via disaggregated monitoring indicators.

8.2. STRATEGY FOR CONSULTATION

Different engagement methods are proposed and cover different stakeholder needs, interests and influence to the project. Examples may include formal meetings, workshops, surveys but also phone and e-mail communication as well as formal press releases. The outreach and stakeholder engagement will be gender appropriate, taking into consideration the after-hour chores of women. Targeted messaging will encourage the participation of women and highlight Project characteristics that are designed to respond to their needs and increase their access to Project benefits. The project will carry out targeted consultations with vulnerable groups to understand concerns/needs in terms of accessing information, medical facilities and services and other challenges they face at home, at workplaces and in their communities. Six months after each launch meeting the PMT will conduct sample-based stakeholder satisfaction surveys to collect feedback on: i) engagement process and the quality and effectiveness of methods ii) level of inclusiveness in the engagement process, iii) quality of the communication and dialogue with the internal stakeholders (PMT, Contractor, GRM etc.) during construction works. The survey results will be soliciting feedback on the effectiveness of the project activities that will be used for communication level improvements. This will allow the PMT to identify potential design issues. The survey data will be disaggregated by age, gender and location. Survey results with proposed corrective measures will be published on Ministry website and discussed at consultation meetings.

All ESF draft tools and documents will be disclosed before Project Appraisal takes place. ESF documents (i.e. ESMF, ESCP, LMP and SEP) will be disclosed electronically on the MAFWM Website, PMT and according to SEP planning.

- <https://www.gov.me/en/> - GOV.ME portal
- <https://www.gov.me/en/mpsv> - Ministry of Agriculture, Forestry and Water Management

Institutional stakeholders will be engaged through e-mail communication with the ESF tools attached. Eventual significant up-dates of ESF documents during project implementation, will be disclosed and open for public consultation again for at least 15 days.

Information on public engagement activities undertaken by the Project will be conveyed to the stakeholders through short annual reports published on Implementing Agencies web sites. Printed copies will be made available at the PMT premises and during public consultation. The Project will be announced through Radio, TV, written and electronic media as well as all available official social media accounts and web pages.

Contractors' documents related to management of environmental and social risks (these may include traffic Management Plan, Emergency preparedness and response plans, Codes of Conduct for Employees and Contracted workers etc.) shall be made available at Contractors website, if they have. During the Project development and construction phase, the Consultant for supervision under works, will prepare reports (every 30 days) on E&S performance for the PMT and the WB which will include an update on the implementation of the stakeholder engagement plan. These reports will be used to develop annual reports. Technical and Environmental specialist of the PMT will prepare reports

8.3. PROJECT GRIEVANCE REDRESS MECHANISM

The Grievance Redress Mechanism (GRM) is designed to manage complaints, feedback, questions, and suggestions related to the project. Its primary objective is to ensure that project-affected communities

and individuals can voice their concerns and receive timely and fair resolutions. The GRM is structured to be accessible, effective, and free of charge for all complainants, focusing not only on registering but also resolving issues at the closest possible level to the complaint. This system plays a vital role in minimizing conflicts, enhancing accountability, and improving the overall quality of project implementation.

The GRM covers all phases of the project — design, construction/renovation, and post-construction.

- During the **design phase**, an appointed representative, typically from the hired advisory team, addresses grievances from stakeholders, including staff, students, public service users, and vulnerable groups. Their contact information is publicly available at all project locations.
- During the **construction phase**, a contractor’s representative manages grievances, with contact details made readily accessible to the public.
- In the **post-construction phase**, the contractor remains responsible for addressing grievances during the defect liability period.

The mechanism is equipped to handle all types of complaints, including those related to Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH), even though these risks were assessed as low. All complaints are logged and follow a systematic procedure that includes acknowledgment within three days, investigation, and communication of the resolution within one month. The GRM features a two-level mechanism, allowing for the escalation of unresolved grievances.

The **Project Management team (PMT)** plays a central role in monitoring the GRM, ensuring that all complaints are logged, tracked, and resolved efficiently. The PMT Technical and Environmental Specialist is responsible for maintaining a grievance log that records the complainant’s details, the nature of the complaint, actions taken, and the final resolution status. This log is essential for monitoring the effectiveness of the GRM, using indicators such as the number of grievances received, acknowledged, and resolved within stipulated timeframes.

In addition to the project-specific GRM, project workers have access to a separate **Workers’ GRM**. This ensures that all project workers, including direct and contracted workers, can raise workplace concerns safely and confidentially. The Workers’ GRM includes measures to protect workers from retaliation, provides multiple channels for submitting grievances, and requires contractors to inform workers about this mechanism. The PMT regularly reviews workers’ grievances and includes them in semi-annual updates to the World Bank. Additional details on the W- GRM are provided in the Labor Management Procedures (LMP) .

Furthermore, project stakeholders and citizens have the option to submit complaints through the World Bank’s Grievance Redress Service (GRS) if they believe they are adversely affected by the project. The GRS provides an additional layer of accountability by ensuring that complaints are promptly reviewed and addressed. The World Bank’s Inspection Panel offers further recourse for communities and individuals who believe their concerns have not been adequately addressed, ensuring compliance with the Bank’s policies and procedures. Additional details on the GRM are provided in the Stakeholder Engagement Framework (SEP).

8.4. GRM CONTACT INFORMATION

Until the PMT is fully staffed and operational, the following contact will serve as the primary grievance entry point:

Name of the Project	Climate Resilient Fisheries and Agrifood Sector Development (CRFASD) Project
Project Implementing Agency	Ministry of Agriculture, Forestry and Water Management (MAFWM), Montenegro
Address	Rimski trg br. 46 81000 Podgorica

Email	marija.klikovac@t-com.me , Monitoring and Evaluation Specialist
Website	https://www.gov.me/mpsv
Telephone	+382 20 482 262 +382 20 482 278

This information will be updated and re-published upon PMT launch, with full details of the designated GRM Coordinator, municipal focal points, and SEA/SH confidential channels.

8.5. ESMF DISCLOSURE AND CONSULTATION

The ESMF will be disclosed both in English and Montenegrin on the MAFWM official website and the World Bank external website prior to Project Appraisal. Public consultations will be held at national and municipal levels (including Ulcinj, Bar, and Nikšić) to solicit stakeholder feedback. Vulnerable and disadvantaged groups will be specifically invited and supported to participate according to CRFADS project SEP. (Please see CRFADS SEP). All comments received during the consultation process will be documented and integrated into the final ESMF version. A Consultation Summary Report will be prepared (to be included in chapter 9 of this ESMF and list of participants along with photo documentation as an Annex in the final ESMF).

8.6. ADAPTIVE MANAGEMENT AND ESMF UPDATES

The ESMF will be a living document and will be reviewed periodically and updated as necessary throughout the CRFADS Project lifecycle. Updates may be required in response to:

- Changes in project design or scope;
- Emergence of new environmental or social risks or impacts;
- Lessons learned during implementation;
- Changes to World Bank policies or national legislation.

Any updates will be prepared by the PMT's E&S Specialists, cleared by the World Bank, and publicly disclosed following the same procedures as for the initial disclosure.

9. Public consultation process

10. Annexes

ANNEX1— ENVIRONMENTAL AND SOCIAL SCREENING FORM TEMPLATE

(A template for screening sub-projects against the Exclusion List and identifying potential E&S risks and ESS applicability.)

CRFADS Subproject Environmental and Social Screening Form

(To be completed by the PMT Environmental & Social Specialist or designated responsible staff)

A. Basic Information

Subproject Title	
Location (Municipality/Site)	
Proposed Activity	
Proponent / Implementing Entity	
Estimated Budget	
Date of Screening	

B. Exclusion List Compliance

Does the proposed activity trigger any of the following exclusion criteria?

(Mark ✓ Yes or X No for each)

Exclusion Criterion	Yes	No	Comments / Evidence
Located in or significantly affects critical natural habitats/protected areas			
Conversion/degradation of natural forests, wetlands, or coastal ecosystems			
Requires dredging or marine works likely to damage marine biodiversity			
Generates hazardous waste without feasible management options			
Uses banned hazardous materials or chemicals			
Risk of pollution exceeding national/EU standards			
Excessive water abstraction from sensitive ecosystems or water-scarce areas			
Uses outdated/highly polluting technology			
Physical displacement (resettlement/relocation) required			
Economic displacement without proper mitigation			
Located on private or contested land			
Adverse impacts to vulnerable groups			
Child labor/forced labor risk			
Occupational Health and Safety risks beyond mitigation capacity			
Impacts cultural heritage sites (unless limited to approved conservation)			
Irreversible/cumulative/transboundary impacts likely			

If any "Yes" is marked, the subproject/activity is ineligible under the CRFADS Exclusion List.

C. Environmental and Social Risk Classification

Risk Level	Tick	Comments
Low		
Moderate		
Substantial		
High		<i>(If High, the activity cannot proceed without further assessment or mitigation)</i>

D. Required Next Steps

Action	Required	Comments
No further action — Eligible for financing		
Preparation of site-specific ESMP		
Preparation of site-specific ESIA		
Activity excluded (non-eligible)		

E. Screening Conducted By: _____

Name Position Date: _____

ANNEX 2. ESMP CHECKLIST TEMPLATE FOR RENOVATION AND UPGRADING OF PAYING AGENCY REGIONAL OFFICES (PAROs)

The template presented below will be revised for each specific sub-project to reflect the detailed scope of works and Environmental and Social (E&S) concerns.

The **ESMP Checklist** provides “pragmatic good practice” and is designed to be user-friendly and compatible with the World Bank’s Environmental and Social Framework (ESF) requirements. The checklist-type format covers typical mitigation approaches to common **small to medium-scale civil works contracts with localized impacts**, such as the renovation and upgrading of existing buildings.

This document helps assess potential environmental and social impacts associated with the proposed sub-project, identify potential environmental improvement opportunities, and recommend measures for prevention, minimization, and mitigation of adverse E&S impacts.

The **ESMP Checklist** is prepared and owned by the final beneficiary (Ministry of Agriculture, Forestry and Water Management, through the PMT and relevant implementing entities).

The Checklist contains an **introduction section** and three (3) main parts: **Introduction (Foreword) section** includes:

- **Introduction (sub-project description)**
- **Environmental and Social risk category** (environmental and social risk rating)
- **Potential environmental and social impacts** (identified and described)
- **ESMP Checklist concept and application** (explained)
- **Monitoring and reporting** (brief description of the monitoring and reporting process including the responsibilities of the involved stakeholders)

Part 1 – Descriptive Part (“Site Passport”):

- Describes the sub-project specifics in terms of:
 - **Physical location**
 - **Institutional and legislative aspects**
 - **Detailed sub-project description**
 - **Need for capacity building program (if applicable)**
 - **Stakeholder engagement**
 - **Public consultation process**

Part 2 – Environmental and Social Screening:

- Includes **screening in a Yes/No format** for potential impacts
- Provides **mitigation measures** for each identified risk/activity
- Incorporates standard mitigation measures aligned with **ESS1, ESS2, ESS3, ESS4, ESS8**, and relevant national legislation

Part 3 – Monitoring Plan:

- Establishes a monitoring plan for activities during the **construction/rehabilitation phase** and **operational phase**
- Retains the same format required for standard World Bank ESMPs
- Defines monitoring indicators, responsibilities, and frequency

ESMP Checklist implementation reports will be submitted to the World Bank **semi-annually**, unless agreed otherwise.

A **Worker's Code of Conduct** (subject to WB approval) will be part of the bidding documentation and contracts with contractors. The Code of Conduct will extend to all sub-contractors and will form part of their contractual agreements.

➤ **Part I — General Project and Site Information (PARO Renovation)**

INSTITUTIONAL & ADMINISTRATIVE	Details
Country	Montenegro
Project title	Climate Resilient Fisheries and Agrifood Sector Development (CRFADS)
Component/Subcomponent	Component 3 — Strengthening Institutional Capacities for Fisheries and Agrifood Sector Governance and Policy Subcomponent 3.2 — Enhancing MAFWM and PA Capacities
Scope of project and activity	Renovation and upgrading of Paying Agency Regional Offices (PAROs) to improve service delivery, digitalization, and compliance with EU IPARD and national standards.
Institutional arrangements (WB)	
Task Team Leader	(To be completed — WB TTL)
Implementation arrangements (Borrower)	
Environmental and Social (E&S) Supervision	PMT under Ministry of Agriculture, Forestry and Water Management (MAFWM)
Works Supervisor	(To be completed based on the specific sub-project)
Inspectorate Supervision	(To be determined — e.g., municipal inspectorate or relevant body)
Works Contractor	(To be identified post-procurement)
SITE DESCRIPTION	Details
Name of site	(Specify — e.g., PARO Nikšić, PARO Bar, etc.)
Describe site location	(Address and description of the building and surroundings)
Who owns/uses the land?	MAFWM — Paying Agency (state-owned property)
Valid operating permit, licenses, approvals etc.	To be confirmed during design and permitting process.
LEGISLATION	Details
National & local legislation and permits applicable	Law on Environmental Impact Assessment, Law on Construction, Labor Law, Law on Waste Management, Law on Protection from Noise, and other relevant national building codes and energy efficiency standards.
INSTITUTIONAL CAPACITY BUILDING	Yes/No
Will there be any capacity building?	[X] Yes — as part of Component 3 activities for MAFWM and PA staff
ATTACHMENTS	
Attachment 1	Site plan /photo
Attachment 2	Agreement for waste disposal
Other permits/agreements	As required

➤ **Part II - Environmental/Social screening**

Will the site activity include / involve any of the following potential issues/risks?	Activity	Status (Yes/No)	Additional References / Comments
A. General conditions and social risk management	- Application of WB ESF and ESMF requirements - Labor management and community health & safety risks (ESS2, ESS4, ESS10)	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section A
B. Construction/Reconstruction activities	- Increase in dust from construction/renovation activities - Transport of materials - Increase in noise and vibration - Sediment load increase (if any earthworks) - Pollution risks to soil/water from temporary waste, fuel, lubricants or accidental spills	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Sections A, B, F
C. Cultural and historical heritage (ESS8)	- Risk of damage to known/unknown historical buildings or cultural sites - Chance finds potential	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section C
D. Biodiversity (ESS6)	- Proximity to protected areas, Natura 2000 sites, or ecological corridors - Disturbance to any protected flora/fauna - Cutting of trees or alteration of green areas	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section D
E. Waste generation and management (ESS3)	- Generation of solid construction waste - Potential hazardous waste (asbestos, paints, solvents) - e-Waste (from possible replacement of electrical or HVAC systems)	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section E
F. Traffic disturbance	- Increased site-specific vehicular traffic - Proximity to sensitive receptors (schools, clinics, public offices)	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Sections A, B, F
G. Disruption of public/medical/educational services (ESS4)	- Potential interruption or limited access to PARO services - Disruption to beneficiaries (farmers, agribusinesses accessing PA services)	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section G

Mitigation Measures Reference (linked to Sections A–G)

Section	Key Mitigation Measures
A. General and Social Risk Management	- Apply WB ESF and national E&S legislation. - SEP implementation. - Labor Management Procedures (LMP) application. - Workers' and community GRMs operational.
B. Construction/Reconstruction Activities	- Dust suppression, noise control, proper equipment maintenance. - Spill prevention and control. - Proper scheduling to minimize disruption.
C. Cultural and Historical Heritage	- Pre-screening for cultural assets. - Chance Finds Procedure. - Compliance with national heritage laws and ESS8.
D. Biodiversity	- Limit works to existing developed areas. - Avoid removal of vegetation. - If unavoidable, restore native species.
E. Waste Management	- Segregate waste. - Use licensed waste contractors. - Handle hazardous waste per regulations and WB ESS3.
F. Traffic Disturbance	- Traffic management plan. - Inform community about road use. - Schedule transport outside peak hours.
G. Public Service Disruption	- Schedule works to minimize disruption. - Provide alternative access if required. - Maintain close communication with PA users and staff.

➤ **Part III - Prototype of Environmental and social mitigation measures**

Activity	Parameter	Mitigation measures checklist
A General conditions and social risk management	Site organization, occupational and health safety, permits and certificates	<ul style="list-style-type: none"> a) the state inspectorate has to be notified of upcoming activities and the copy of notification is available at the construction site, b) construction Work Plan has to be available at the construction site (in case that two or more contractors perform construction activities), c) a person responsible for communication and receiving requests/complaints of the local population has been appointed, d) avoid construction activities at night, e) all legally required permits have to be acquired and kept on site, f) contractor/subcontractors have valid operating licenses, g) all work must be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment, h) mandatory use of protective equipment, workers' personal protective equipment and safety procedures comply with legislation and international good practice (e.g. wearing protective helmets, masks and safety glasses, harnesses and safety boots, etc.), i) appropriate informative and warning signposting of the sites inform workers of key rules and regulations to follow, j) the construction location must be fenced and marked, k) public is informed on the works through appropriate notification in the media and/or at publicly accessible sites (including the site of the works), l) entry for unemployed person within the project location is prohibited (within the warning tapes and fences when/where deem needed), m) open pits must be covered and clearly marked when not worked on, n) the surrounding area near the project must be kept clean, o) machines must be handled only by experienced and appropriately trained personnel, thus reducing the risk of accidents. p) no fires are allowed on site under any circumstance. q) devices, equipment and fire extinguishers must always be functional, so in case of need they could be used rapidly and efficiently. The contractor shall have operational fire- fighting equipment available on site at all times. Their position is communicated to workers and marked. The level of fire-fighting equipment must be assessed and evaluated through a typical risk assessment. There is an appointed person on the site responsible for the fire protection. Procedures in the case of fire are well known to all employees. r) first aid kits must be available on the site and personnel trained to use it, s) staff should be properly trained for the positions and work performed, workers must

Activity	Parameter	Mitigation measures checklist
		<p>hold valid workers certificates for e.g. certificates for electrical safety (for li-censed electrician), etc.,</p> <p>t) procedures for cases of emergency (including spills, accidents, etc.) must be available at the site,</p> <p>u) adequate lavatory facilities (toilets and washing areas) in the work site with adequate supplies of hot and cold running water, soap, and hand drying devices has to be provided,</p> <p>v) purchased equipment must be installed and used respecting all safety measures prescribed by the producer of equipment and best practices,</p> <p>w) in the case of construction/reconstruction activities, if construction site is of such a nature that it is not possible, in line with construction practice, to disable access to the construction site to anyone except work site workers, then it is necessary to provide adequate replacement nearby,</p> <p>x) there should be no temporary storage of construction materials and waste occurs within any type of private property,</p> <p>y) suitable arrangements for all necessary welfare and hygiene requirements and for the prevention of diseases (regular delivery PPEs, ensure protocols for regular disinfection of rooms, equipment, tools, are in place and followed, ensure handwashing and other sanitary stations are always supplied with clean water, soap, and disinfectant, etc.) should be ensured,</p> <p>z) trainings for workers on hygiene and other preventative measures against diseases should be carried out.</p> <p>aa) In the case works are taking place while the institution is in operation, the works must be separated/sealed off by screens, fences and similar to minimize risks and prevent impacts,</p> <p>bb) any health and safety incidents should be reported to project manager immediately and to WB within 48 hours according to incident reporting procedure.</p>
	Notification, workers and community safety	<p>a) Emergency Preparedness and Response Plan should be prepared and updated accordance with national legislation.</p> <p>b) OHS implementation Plan should be prepared and updated in accordance with national legislation (part of the plan of works) and ESMF (ESMP Checklist).</p> <p>c) The local construction and environment inspectorates and communities should be notified of upcoming activities.</p> <p>d) Workers code of conduct acceptable to PMT will be a part of contracting documentation and training to all workers to manage Sexual Exploitation and Abuse / Sexual Harassment risks in the sub-projects will be provided</p> <p>e) All legally required permits must be acquired for construction and/or rehabilitation.</p> <p>f) All work must be carried out in a safe and disciplined manner designed to minimize</p>

Activity	Parameter	Mitigation measures checklist
		<p>impacts on students, staff, neighboring residents and environment.</p> <p>g) Workers should be well trained in using potentially dangerous equipment.</p> <p>h) Any health and safety incidents should be reported to project manager immediately and to WB within 48 hours. This should be well communicated to the construction staff.</p> <p>i) Workers' PPE will comply with international good practice (obligatory wearing of hardhats at all times, masks and safety glasses as needed and prescribed, harnesses and safety boots).</p> <p>j) Appropriate signposting of the sites will inform workers of key rules and regulations to follow.</p> <p>k) All construction sites must be equipped with appropriate sanitary facilities and resting places for workers.</p> <p>l) Construction sites shall be fenced off or protected by properly designed barricades or tape- marked.</p> <p>m) Material stockpiles or stacks, such as pipes, must be made stable and well secured to avoid collapse and possible injury to site workers.</p> <p>n) Potentially hazardous areas (e.g., trenches, manholes, excavations) must be clearly marked.</p>
	Stakeholder Engagement	<p>a) The MSE will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a time frame that enables meaningful consultations with stakeholders on project design and implementation.</p> <p>b) Availability of an effective, responsive and accessible GRM</p>
B Reconstruction/adaptation works	Air Quality	<p>a) sprinkle water to limit dust emissions in the area near the construction materials and non-asphalted roads. Use water with all land clearing, grubbing, scraping, excavation, land levelling, grading, cut and fill and demolition activities which may cause dusting and particles emissions,</p> <p>b) cover surfaces with plastic coverings during material storage and transportation,</p> <p>c) adequate locations for storage, mixing and loading of construction materials should be established,</p> <p>d) limit vehicles speed (30 km/h) in the area and access roads,</p> <p>e) periodically clean location and access roads from debris,</p> <p>f) use modern attested construction machinery to minimize emissions, provided with mufflers and maintained in good and efficient operation condition,</p> <p>g) additionally, to minimize dust (mainly PM₁₀) from construction material collection, material retention time at the site should be reduced to a minimum, in order to</p>

Activity	Parameter	Mitigation measures checklist
		<p>minimize exposure to wind.</p> <p>h) Since the works are taking place while the universities or public buildings are in operation, the works must be separated/sealed off by screens and similar to prevent spreading of dust and other emissions.</p>
	Noise	<p>a) It is necessary to adhere to maximum permissible noise levels prescribed by the law,</p> <p>b) It is desirable to carry out works in the period from 8 to 18 hours and not to carry works during the nights,</p> <p>c) community should be informed in advance of any work activities to occur outside of normal working hours or on weekends,</p> <p>d) all equipment must be maintained in good operating condition and be attested,</p> <p>e) during operations the engine covers of generators, air compressors and other powered mechanical equipment shall be closed, and equipment placed as far away from residential areas as possible.</p> <p>f) since the works are taking place while the university and public buildings are in operation, the works must be separated/sealed off by screens and similar to prevent noise pollution and disturbance of staff. Particularly noisy works will take place outside of institutions working hours.</p>
	Water quality	<p>a) responsible handle the liquid waste,</p> <p>b) adding oil activities carry out on the part of the construction site that is derived from an impermeable working surface,</p> <p>c) handle all materials in accordance with instructions included in Material safety data sheets (MSDS) which have to be available at the construction site,</p> <p>d) in the case of an accident, any hazardous liquid remove from the soil using adsorption materials such as sand, sawdust or mineral adsorbents. Such waste material you have to collect in tanks, store in the space provided for hazardous waste storage and hand over to authorized companies,</p> <p>e) ensure that water pumped back to natural waterways never exceeds the regulatory water quality standards,</p> <p>f) prevent hazardous spillage coming from tanks, containers (mandatory secondary containment system, e.g. double walled or bunded containers), construction equipment and vehicles (regular maintenance and check-ups of oil and gas tanks, tend to park (manipulate) machinery and vehicles only on asphalted or concrete surfaces with surface runoff water collecting system,</p> <p>g) organize and cover material storage areas,</p> <p>h) isolate wash down areas of concrete and other equipment from watercourse by selecting areas for washing that are not free draining directly or indirectly into watercourse,</p>

Activity	Parameter	Mitigation measures checklist
		<ul style="list-style-type: none"> i) do not extract groundwater on unregulated way, nor discharge cement slurries, or any other contaminated waters into the ground or adjacent streams or rivers on uncontrolled way, j) ensure proper storm water drainage systems installed and take care not to silt, pollute, block or otherwise negatively impact natural streams, rivers, ponds and lakes by repair / rehabilitation activities.
	Soil	<ul style="list-style-type: none"> a) regular maintain and service the construction machines, b) adhere the measures and standards for construction machinery, c) try to avoid fuel and lubricant storage on construction site, d) if installation of fuel storage tanks will be needed, they should have secondary tanks with sufficient volume to contain a spill from the largest fuel tank in the structure. The containment area has to have a device (pump) to remove accumulated water, e) the containers with hazardous substances should be kept in a leak-proof container to prevent spillage and leaking. This container should possess secondary containment system such as bunds (e.g. bunded-container), double walls, or similar. Secondary containment system must be free of cracks, able to contain the spill, and be emptied quickly, f) the containers with hazardous substances must be kept closed, except when adding or removing materials/waste. They must not be handled, opened, or stored in a manner that may cause them to leak.
	Materials management	<ul style="list-style-type: none"> a) Construction material must originate from the licensed companies (e.g. company has to be able to present licenses for excavation of natural minerals, stone, lime, clay, etc.). The company has to present a proof of conformity with all national environmental and H&S legislation. b) Organization of works is such that construction materials is kept at the site in minimal quantities and for minimal amount of time. c) Sand and gravel used in construction works should be traceable to licensed companies with valid concessions. d) Quality of sand and gravel has to fulfil technical requirements and be unpolluted with oils, toxic, corrosive or hazardous substances and free of impurities. e) Producer of concrete has to obtain/hold all required working and emission permits and quality certifications. f) Ensure all transportation vehicles and machinery have been equipped with appropriate emission control equipment, regularly maintained and attested. g) Water used for production of concrete can be technical water, but free of hazardous and toxic pollutants, heavy metals and other substances hazardous to human health and environment.

Activity	Parameter	Mitigation measures checklist
	Labor Management	<ul style="list-style-type: none"> a) Mitigation of labor related risks will follow the labor management procedures, which will also be included in the contractor ESMP. b) Contractors will ensure that workers are hired, compensated and managed in adherence to national legislation and ESS2. This includes issues of contracts, labor rights, access to workers GRM without retaliation, prevention of SEA/SH including an accessible channel in the GRM to lodge related complaints, adherence to OHS and community health and safety measures.
	Transportation of Materials	<ul style="list-style-type: none"> a) Construction routes are clearly defined, b) Safety measures to prevent accidents are taken, c) All materials prone to dusting are transported in closed or covered trucks or wagons. d) All materials prone to dusting and susceptible to weather conditions are protected from atmospheric impacts either by windshields, covers, watered or other appropriate means, e) Roads are regularly swept and cleaned at critical points. Spilled materials are immediately removed from a road and cleaned. Access roads are well maintained. f) Access of the construction and material delivery vehicles are strictly controlled, especially during the wet weather, g) Topsoil and stockpiles are kept separate, h) Stockpiles are located away from drainage lines, natural waterways and places susceptible to land erosion, i) All loads of soil are covered when being taken off the site for reuse/disposal, j) Stockpiles do not exceed 2m in height to prevent dissipation and risk of fall.
C Cultural and historical heritage	Cultural heritage and Chance finds	<ul style="list-style-type: none"> a) if the building is located in a protected cultural and historical area or it is about buildings designated and protected as cultural heritage, notify and obtain approval/permits from competent authorities and address all construction activities in line with legislation, b) if during excavations some archaeological finds are encountered, works have to be stopped immediately and the competent authority informed. Works should be resumed only after appropriate measures have been taken as required by relevant authority and after it confirms that works may continue for all cases where the cultural heritage and its fundamental values can be protected at the existing location with special protection measures protect the cultural heritage on the spot,
D Biodiversity	Biodiversity	<ul style="list-style-type: none"> a) limit work to the visible part of the day, b) restrict the movement of heavy machinery to the road corridor, c) professionally and carefully handle of equipment and machinery to try to break out accidents such as fires or spills of large amounts of harmful substances into the environment, and thus adversely impact on the present flora and fauna, d) limit work along watercourses and on watercourses and canals to as small an area as

Activity	Parameter	Mitigation measures checklist
		<p>possible,</p> <p>e) avoid, where possible, cutting of trees and other natural vegetation,</p> <p>f) in the case of removing vegetation, to prevent unnecessary loss of vegetation in the project area, clearly marked the areas where vegetation will be removed,</p> <p>g) for the restoration of the removed natural vegetation cover, use only autochthonous plant species that occur in the vegetation communities present in the wider area of the sub-project,</p> <p>h) the potential removal of vegetation plan for the period when birds do not nest. All birds that nest they need to protect until their birds can fly. In case of finding the nests of endangered bird species, prevent their disturbance, and inform about the discovery the central state body responsible for nature protection,</p> <p>i) where possible, the area under construction/reconstruction fence to lessen even occasional disturbance and dust on habitats and biodiversity. If noise barriers need to be constructed, they should be opaque or with a design and density of stickers that will prevent birds from entering the barriers as much as possible.</p>
E Waste generation and management	Waste management	<p>a) each type of generated waste on the location has to be temporary stored in separate waste containers which have to be labelled with waste type name and waste code and located at the solid surface foreseen for that purpose on the construction site,</p> <p>b) records of waste streams and amounts has to be kept for each type of generated waste at the location</p> <p>c) all waste has to be handed over with appropriate documentation to the companies authorized for the waste management (companies that have adequate waste permit),</p> <p>d) in the case of hazardous waste information on handing over waste to the final destination must be obtained,</p> <p>e) whenever feasible the contractor should reuse and recycle appropriate and viable materials (except asbestos),</p> <p>f) mineral (natural) construction and demolition waste has to be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and temporarily stored in appropriate containers. Depending on its origin and content, mineral waste has to be reapplied to its original location or reused,</p> <p>g) burning or illegal dumping of waste is strictly prohibited.</p>
	Hazardous waste (asbestos and medical waste)	<p>a) The containers holding ignitable or reactive wastes must be located at least 15 meters (50 feet) from the working facilities,</p> <p>b) All hazardous wastes, including liquids, contaminated packaging and solids are transported by specially licensed carriers and disposed in a licensed facility,</p> <p>c) Temporary storage of liquid toxic or hazardous waste on site; all hazardous or toxic liquid substances will be kept in safe containers labelled with appropriate classification</p>

Activity	Parameter	Mitigation measures checklist
		<p>code in accordance with the Regulation on categories, types and classification of waste with a hazardous waste catalogue. These containers should be leak-proof in order to prevent spillage and leaching. The containers should possess secondary containment system such as bunds (e.g. bunded-container), double walls, or similar. Secondary containment system must be free of cracks, able to contain the spill and be emptied quickly,</p> <ul style="list-style-type: none"> d) Solid hazardous waste should be kept in safe containers labelled with appropriate classification code in accordance with the Ordinance on waste management. These containers should be leak-proof in order to prevent spillage and leaching. These containers should be covered and protected from weather impact (rain and other), e) Oils, grease and sludge from the oil and grease collecting pits must be removed from the pits, transported and disposed/recovered by a licensed company only and at the licensed landfills or other licensed facilities, f) Regular checks of containers containing toxic and hazardous wastes should be performed, g) Asbestos Removal and Management Plan, subject to PMT and WB approval, must be prepared. Plan shall include procedures for removing materials containing asbestos before proceeding with the removal of the building structures, describe application of necessary measures to protect workers health and safety, all according to national legislation and WB policies, h) the strong-bound asbestos prior to removal must be treated with a wetting agent to minimize asbestos dust. Wetting is carried out by spraying or spraying with low-pressure sprayers. It is not allowed to spray water under high pressure. Asbestos fibers that have accumulated in the drains must be soaked so that a thick mixture is formed, which can be removed with a spatula in a polyethylene bag (PE). The bag must be tightly sealed. Drills, saws or high-speed tearing tools must not be used during disassembly of ACM parts. If the ACM parts cannot be removed without the use of tools, it is important to use only hand tools or mechanical aids for processing asbestos cement with built-in vacuum cleaners that have HEPA filters (HEPA = high efficiency particulate air). The area from which the ACM were removed must be carefully inspected for debris. The structure must be carefully cleaned with a vacuum cleaner with a HEPA filter, i) after removal, asbestos waste must be properly stored at the location and handed over to the authorized waste collector/waste treatment facility as early as possible in accordance with the waste management regulations, j) asbestos waste must be stored in a covered container or tightly closed bags (for construction rubble), thus preventing spreading, dispersing and spillage of that waste out of construction site due to weather conditions. Asbestos located on the Project site

Activity	Parameter	Mitigation measures checklist
		<p>must be marked clearly as hazardous material,</p> <p>k) removed asbestos will not be reused. It will be disposed to a licensed landfill before closing of the Sub-Project,</p> <p>l) it is forbidden to dispose asbestos waste into the mixed municipal waste and mixing with other waste and other non-waste materials,</p> <p>m) in the case of soft-bound asbestos is found, specific measures for asbestos removal will be applied in line with the national legislation and best practices. Finding of soft-bound asbestos will be reported to the PMT/WB without delay,</p> <p>n) medical waste must be correctly segregated at the source and disposed of according to health and safety guidelines and national regulations,</p> <p>o) medical waste should be stored in secure, clearly labeled containers that are resistant to leakage, puncture, and tampering, and kept away from construction areas,</p> <p>p) there should be systems in place for the safe transportation and disposal of medical waste, including the use of licensed waste management companies,</p> <p>q) Strict enforcement of regulations regarding medical waste management and regular monitoring of compliance</p> <p>r) construction workers should be trained on the risks of medical waste and equipped with personal protective equipment (PPE) like gloves, masks, and protective clothing to minimize direct exposure,</p> <p>s) conduct regular environmental assessments of construction sites to identify and address potential risks associated with hazardous medical waste.</p>
F Traffic disturbance relate to the increased frequency of external transport of materials and techniques	Traffic disturbance	<p>a) traffic management have to be conducted in accordance with provisions of traffic legislation (e.g., appropriate lighting, traffic safety signs, barriers and flag persons that are seen easily or are easy to follow, road speed should be clearly posted),</p> <p>b) it is desirable to avoid transport on access roads during rush hours.</p>
G Emergency preparedness Procedures	Prepare for safety of project workers during an emergency	<p>a) Emergency Preparedness and Response Plan must be prepared for works (as part of C-ESMP) and it must cover actions that must be taken to ensure staff safety from emergencies. It shall include, but it is not limited to a list of all emergency equipment at the work site (such as fire extinguishing systems, spill control equipment, communications), and alarm systems (internal and external), and decontamination equipment (where this equipment is required), contacts of responsible persons, competent authorities, other emergency numbers, communication procedures and evacuation plan. Plan must be kept up to date. In addition, the plan must include the location and a physical description of each item on the list, and a brief outline of its capabilities,</p> <p>b) employees will be trained/instructed in all emergencies, waste management, first aid</p>

Activity	Parameter	Mitigation measures checklist
		and firefighting and other relevant procedures and procedures will be available at the site.
G Maintenance and safety in operational period	Maintenance and safety in operational period	<ul style="list-style-type: none"> a) Final beneficiary updates a maintenance plan to meet ESF requirements before completion of works. b) Maintenance plan is implemented and periodically updated. c) Emergency Preparedness and Response Plan is updated in accordance with national legislation.
H Public, medical, educational services disruption	Disruption of public services	<ul style="list-style-type: none"> a) Implement SEPs to ensure early consultation with stakeholders, including management staff, employees, and service users (students, medical staff, patients, etc.), to understand their needs and potential concerns, b) Use of clear communication channels like emails, notices, websites, and physical information boards to keep stakeholders informed about project schedules, potential disruptions, and safety measures. c) Implement and maintain grievance redress mechanisms to allow public service users to voice concerns about disruptions, ensuring these grievances are addressed promptly and effectively. d) Maintain specialized GRM for workers and include project GRM provisions for handling sensitive complaints, such as those related to discrimination or SEA/SH. e) Maintain accessible formats (including for vulnerable groups such as persons with disabilities, elderly, patient) for all communications and feedback mechanisms. f) Implement temporary adjustments to service delivery such as reorganization of classrooms or offices to minimize disruption to teaching and administrative activities, ensure temporary relocation of critical health and justice services to nearby facilities. g) In case of relocation develop checklist for the selection of alternative locations. Checklist should include consideration on: accessibility, vicinity, safety and security, adequate spaces and equipment, availability of minimum number of parking lots h) During construction, maintain access to essential areas (e.g., elevators, ramps) for vulnerable groups, including people with disabilities, elderly individuals, and patients. i) Implement clear signage and physical barriers adapted also for vulnerable groups to guide users safely through or around construction zones. j) Schedule noisy and dusty construction work outside peak hours for public services. k) Priority given to renovation of critical rooms (e.g., those for victims and witnesses) d) Inform judicial staff and security services to manage access and flows of persons for safety of victims and witnesses.

ANNEX 3 - ESMP TEMPLATE

Environmental and social management plan (ESMP) consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a project to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. The set of responses to potentially adverse impacts has to be identified; requirements for ensuring that those responses are made effectively and in a timely manner have to be determined and the means for meeting those requirements described.

Therefore, it will include following parts:

- a) Mitigation** – identification and summarizing all anticipated adverse environmental and social impacts (including those involving indigenous people or involuntary resettlement); description—with technical details—of each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; estimation of any potential environmental and social impacts of these measures; taking into account other mitigation plans required for the project.
- b) Monitoring** - the monitoring section of the ESMP provides a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures, and furnish information on the progress and results of mitigation.
- c) Capacity Development and Training** - to support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level. Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training). To strengthen environmental and social management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.
- d) Implementation Schedule** - for all three aspects (mitigation, monitoring, and capacity development), the ESMP provides an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans.

The Environmental and Social Management Plan (ESMP) is the primary tool for ensuring that the sub-projects implemented under CRFADS comply with national environmental and social legislation and the World Bank Environmental and Social Framework (ESF), including relevant Environmental and Social Standards (ESS1–ESS10).

For **CRFADS Component 1 sub-projects**—which include the construction of the **climate-resilient fishing port in Ulcinj**, the **Animal By-Product (ABP) facility**, the **rehabilitation of Paying Agency Regional Offices (PAROs)**, and associated soft investments—the ESMP will define mitigation, monitoring, and institutional measures necessary to manage potential environmental and social risks and impacts throughout sub-project design, construction, operation, and decommissioning.

Required ESMP Sections for CRFADS Sub-Projects

The following structure shall be applied when preparing the ESMP for each sub-project financed under Component 1.

Section	Description
1. Sub-project Description	<ul style="list-style-type: none"> • Overview of the sub-project including its background, objectives, components, and activities. • Site location and layout. • Resource requirements (e.g., materials, labor, equipment). • Reference to the CRFADS Component/Sub-component. • Summary of applicable environmental and social standards and national permits.
2. Environmental Baseline of the Sub-project Area	<ul style="list-style-type: none"> • Physical environment: air quality, water resources, soils, noise, vibration, temperatures, rainfall, and waste management practices. • Biological environment: biodiversity, protected areas, flora and fauna. • Climate change vulnerabilities (if applicable).
3. Socio-economic Baseline of the Sub-project Area	<ul style="list-style-type: none"> • Demographic profile: administrative division, community structure, population. • Livelihoods and vulnerable groups, especially those engaged in fisheries and agrifood value chains. • Land use and tenure. • Infrastructure and services: healthcare, education, access roads. • Gender considerations and presence of disadvantaged or vulnerable groups, aligned with the CRFADS Stakeholder Engagement Plan (SEP).
4. Stakeholder Consultations	<ul style="list-style-type: none"> • Objectives and methodology of consultations. • Stakeholders engaged (including local communities, fishers, farmers, waste processors, local authorities, NGOs, etc.). • Key issues raised and responses provided. • Reference to CRFADS SEP for consistency. • Consultation outcomes and how feedback was incorporated into sub-project design.
5. Impacts and Mitigation Measures	<ul style="list-style-type: none"> • Identification of potential environmental and social risks and impacts for all phases (design, construction, operation, decommissioning). • Mitigation measures aligned with the mitigation hierarchy defined in the CRFADS ESMF. • Specific reference to: <ul style="list-style-type: none"> – ESS2 (Labor and working conditions) – ESS3 (Resource efficiency and pollution prevention) – ESS4 (Community health and safety) – ESS5 (Land acquisition, restrictions on land use, and involuntary resettlement, if applicable) – ESS6 (Biodiversity conservation) – ESS8 (Cultural heritage) including Chance Finds procedures. • Technical description of mitigation measures and timing of their implementation.
6. Institutional Arrangements and Capacity Development	<ul style="list-style-type: none"> • Roles and responsibilities for ESMP implementation (PMT, contractor, supervising engineer, municipality, environmental authority). • Requirements for staff training and capacity building. • Reporting structure. • Integration with the CRFADS Labor Management Procedures (LMP) and SEP.

Section	Description
7. Environmental and Social Monitoring Plan	<ul style="list-style-type: none"> • Description of the Grievance Redress Mechanism (GRM), including provisions for workers, community members, and vulnerable groups. • Monitoring indicators and parameters. • Methodologies, locations, frequency, and thresholds. • Responsibilities for monitoring and reporting. • Mechanism for corrective actions in case of non-compliance. • Reporting templates aligned with CRFADS reporting requirements and World Bank monitoring standards.
8. Cultural Heritage Monitoring Plan (CHMP)	<ul style="list-style-type: none"> • Required if the sub-project is in proximity to protected cultural and historical areas or where chance finds are possible. • Prepared in line with the CHMP template in the ESMF. • Compliance with ESS8 and national legislation. • Integration of Chance Finds Procedures into contractor obligations and C-ESMP.
9. Annexes	<ul style="list-style-type: none"> • Mitigation and monitoring matrices. • Resource Efficiency and Pollution Prevention Checklist (ESS3 compliance). • Chance Finds Procedure. • Outline for Contractor's ESMP (C-ESMP). • Consultation records. • Site layout maps, permits, and other supporting documents.

➤ **Environmental and social mitigation plan template - Civil Works Preparation / Implementation phase**

Environmental and Social aspect	Proposed mitigation measure (Construction Phase)	Responsibility	
		Implementation	Supervision
General conditions			
Permits and certificates; Design	All required permits must be acquired prior to works and kept on site (e.g., building permit).	Building contractor, Beneficiaries, PMT	Supervising Engineer, PMT
	Contractor and subcontractors must have valid operating licenses.	Building contractor	Supervising Engineer, PMT
	The state inspectorate must be notified of upcoming activities and the copy of notification must be available at the construction site.	PMT/Beneficiaries	Supervising Engineer, PMT
	Materials quality certificates, vehicles attest, certificates for working at heights, health and safety certificates for workers (e.g. to operate heavy machinery and vehicles) must be in place before works commence.	Building contractor	Supervising Engineer, PMT
Site organization	Construction Work Plan must be available at the construction site (in case that two or more contractors perform construction activities). All occupational health and safety measures must be ensured. Contractor must develop Environmental and Social Management Plan (C-ESMP) to enable implementation of mitigation measures for environmental and social risks. C-ESMP comprises of environmental and safety management strategies and implementation plans for waste management, prevention of excessive increase in noise level, prevention and control of water, soil and air pollution, Asbestos Removal and Management Plan, Safety at Work Plan, Emergency Preparedness and Response Plan, Fire Safety Plan.	Building contractor	Supervising Engineer, PMT

Emergency Preparedness and Response Plan must be prepared for works (as part of C-ESMP) and it must cover actions that must be taken to ensure staff safety from emergencies. It shall include, but it is not limited to a list of all emergency equipment at the construction site (such as fire extinguishing systems, spill control equipment, communications), and alarm systems (internal and external), and decontamination equipment (where this equipment is required), contacts of responsible persons, competent authorities, other emergency numbers, communication procedures and evacuation plan. EPR must be kept up to date. In addition, the plan must include the location and a physical description of each item on the list, and a brief outline of its capabilities. Employees will be trained/instructed in all emergency, waste management, first aid and firefighting and other relevant procedures. Procedures will be available at the site.	Building contractor	Supervising Engineer, PMT
Temporary material storage on the construction site should be clearly marked.	Building contractor	Supervising Engineer, PMT
There shall be no temporary storage of construction materials and waste within any type of private property.	Building contractor	Supervising Engineer, PMT
The surrounding area near the project must be kept clean and good housekeeping practices must be applied at the site. Works must be carried out in a safe way.	Building contractor	Supervising Engineer, PMT
Stockpiles must be located away from drainage lines, natural waterways and places susceptible to land erosion.	Building contractor	Supervising Engineer, PMT
Stockpiles must not exceed 2 m in height to prevent dissipation and risk of fall. Materials to be lifted by forks, cranes cannot be placed under or in the vicinity of overhead transmission lines.	Building contractor	Supervising Engineer, PMT
Producer of asphalt, gravel, concrete must possess all necessary concessions, working and OHS permits, and emission permits, quality certifications and labor and working conditions requirements. During earthworks (and where applicable) utility providers must be consulted to avoid damages to other infrastructure. In areas where other infrastructure is present, only manual work will be applied.	Building contractor	Supervising Engineer, PMT
All transportation vehicles and machinery must be equipped with appropriate emission control equipment, regularly maintained and attested.	Building contractor	Supervising Engineer, PMT
There shall be no unlicensed borrow pits, quarries, or waste dumps in adjacent areas, especially not in protected areas.	Building contractor	Supervising Engineer, PMT
When necessary, night work shall be scheduled carefully. Noise during night work must not exceed the limit values prescribed by Law.	Building contractor	Supervising Engineer,

			PMT
Vibration			
Damage to surrounding buildings	GRM is available during construction phase.	Building contractor	Supervising Engineer, PMT

Occupational Health and Safety and Community Safety			
Worker's safety	Safety at Work Plan (as part of the C-ESMP) must be prepared and shall include: measures to reduce health hazards and to ensure safety at work during the execution of works, occupational health and safety (OHS) measures during the execution of all construction works, accommodation conditions, food and transportation of workers, sanitary facilities and wardrobe, organization of first aid, personal protective equipment, workplaces with special working conditions and medical examination of workers, training for workers and visitors of construction site in occupational safety, safety measures in the work of subcontractors, measures for identified risks from weather extremes such as strong winds, excessive heat, storms, incident reporting procedure etc.	Building contractor	Supervising Engineer, PMT
	Access to safe GRM for workers and community must be ensured and also other grievance mechanisms (unions, arbitration).	Building contractor	Supervising Engineer, PMT
	Staff must be properly trained (and certified if applies) for the positions and work performed, workers must hold valid workers certificates for e.g., certificates for electrical safety (for licensed electrician), working with asbestos materials, working at heights, operating dangerous machinery, etc.	Building contractor	Supervising Engineer, PMT
	Engaged workers must use protective equipment, workers' personal protective equipment and safety procedures comply with legislation and international good practice (ESH and safety glasses, safety boots, harnesses when needed, personal hearing protection equipment when needed, and other work specific protective equipment, appropriate masks or respirators when dealing with the asbestos, etc.). Contractor must ensure that sufficient quantities and quality of equipment is available.	Building contractor	Supervising Engineer, PMT
	Appropriate informative and warning signposting of the sites shall inform workers (and authorized visitors) of key rules and regulations to follow.	Building contractor	Supervising Engineer, PMT
	Appropriate marking in and out of the construction sites /section by section and speed-reduction signs must be ensured.	Building contractor	Supervising Engineer, PMT
	All dangerous spots in the working sites such as pits, trenches, etc. must be clearly marked and fenced.	Building contractor	Supervising Engineer, PMT
	The transportation routes outside the construction areas (local, county and state roads) must be kept clean.	Building contractor	Supervising Engineer, PMT
	Machines must be handled only by experienced and appropriately trained personnel, certified in line with the national regulation (where applicable), thus reducing the risk of accidents.	Building contractor	Supervising Engineer,

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	Fire Safety Plan (as part of C-ESMP) must be prepared and shall include a list of major workplace fire hazards, their proper handling and storage procedures, potential ignition sources and control procedures, and a description of fire protection, trainings documentation, equipment, and systems.	Building contractor	Supervising Engineer, PMT
	Devices, equipment and fire extinguishers must be attested and functional, so in case of need they could be used rapidly and efficiently.	Building contractor	Supervising Engineer, PMT
	Constant presence of attested firefighting devices must be ensured on sites in case of fire or other damage. Their position must be communicated to workers and marked. The level of fire-fighting equipment must be assessed and evaluated through a typical risk assessment.	Building contractor	Supervising Engineer, PMT
	First aid kits shall be available on the site and personnel trained to use it.	Building contractor	Supervising Engineer, PMT
	Procedures for cases of emergency (including spills, accidents, etc.) as part of the Emergency Preparedness and Response Plan must be available at the construction site and conveyed to all workers.	Building contractor	Supervising Engineer, PMT
	Adequate sanitary facilities (toilets and washing areas) must be provided at the construction site with adequate supplies of hot and cold running water and soap.	Building contractor	Supervising Engineer, PMT
	Work must be aligned with weather conditions which can factor in safe organization of works and OHS measures.	Building contractor	Supervising Engineer, PMT
Worker's health due to improper asbestos handling	Asbestos Removal and Management Plan (as part of C-ESMP), subject to PMT and WB approval, must be prepared and include procedures for removing materials containing asbestos before proceeding with the removal of the building structures, describes application of necessary measures to protect workers health and safety, according to national legislation and WB policies.	Building contractor	Supervising Engineer, PMT
	The removal of the asbestos cover should be carried out according to the rules of the profession and until complete completion (as described in the waste management section).	Building contractor	Supervising Engineer, PMT
	Workers must be equipped with appropriate personal protective equipment for respiratory protection and other personal protective equipment, which workers must continually use.	Building contractor	Supervising Engineer, PMT
Worker's health due to medical waste exposure	Medical waste must be correctly segregated at the source and disposed of according to health and safety guidelines and national regulations.	Building contractor	Supervising Engineer, PMT
	Medical waste should be stored in secure, clearly labeled containers that are resistant to leakage, puncture, and tampering, and kept away from construction areas.	Building contractor	Supervising Engineer, PMT

	There should be systems in place for the safe transportation and disposal of medical waste, including the use of licensed waste management companies.	Building contractor	Supervising Engineer, PMT
	Strict enforcement of regulations regarding medical waste management and regular monitoring of compliance.	Building contractor	Supervising Engineer, PMT
	Construction workers should be trained on the risks of medical waste and equipped with personal protective equipment (PPE) like gloves, masks, and protective clothing to minimize	Building contractor	Supervising Engineer, PMT

	direct exposure.		
	Conduct regular environmental assessments of construction sites to identify and address potential risks associated with hazardous medical waste.	Building contractor	Supervising Engineer, PMT
Discrimination against women/vulnerable groups in the hiring process of workers	Established, implemented and monitored workers GRM for grievances from project workers, including employees of contractors/sub-contractors.	Building contractor	Supervising Engineer, PMT through GRM
	Developed labor management procedures (LMP) in relation to the requirements of national legislation and ESS2. Provisions of project LMP include requirements for the Contractor to prepare and enforce a Code of Conduct for Workers.	Building contractor	Supervising Engineer, PMT through GRM
	GRM set up in a way to ensure secure mechanism for lodging SEA/SH complaints.	Building contractor	Supervising Engineer, PMT through GRM
	Project workers including those engaged on the small construction/installation works will receive training on the prevention of SEA/SH.	Building contractor	Supervising Engineer, PMT through GRM
Labor influx	Established, implemented and monitored workers GRM for grievances from project workers, including employees of contractors/sub-contractors.	Building contractor	Supervising Engineer, PMT
	Provisions of project LMP include requirements for the Contractor to prepare and enforce a Code of Conduct for Workers. Information regarding Worker Code of Conduct must be provided in local language and language accessible to foreign workers.	Building contractor	Supervising Engineer, PMT
	A child younger than the minimum age (determined by the Labor Law) will not be employed or engaged in the project.	Building contractor	Supervising Engineer, PMT
Sexual Exploitation and Abuse (SEA)/ Sexual Harassment (SH)	Contractor's Personnel shall not engage in Sexual Harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other Contractor's or Employer's Personnel.	Building contractor	Supervising Engineer, PMT
	Workers shall not engage in Sexual Exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.	Building contractor	Supervising Engineer, PMT
	Workers shall not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.	Building contractor	Supervising Engineer, PMT

	Workers shall not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage.	Building contractor	Supervising Engineer, PMT
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	All relevant competent authorities will be notified of commencement of works (police, state inspectorate, firefighters, etc.).	Building contractor	Supervising Engineer, PMT
	Grievance Redress Mechanism will be available to for receiving and resolving complaints. Complaints received must be dealt with in accordance with the Labor Law (OG 93/14, 127/17, 98/19, 151/22).	Building contractor	Supervising Engineer, PMT
	SEA/SH sensitization (education for contract workers) will be performed.	Building contractor	Supervising Engineer, PMT
Community safety	All relevant competent authorities will be notified of commencement of works (police, state inspectorate, firefighters, etc.).	Building contractor	Supervising Engineer, PMT
	Local community shall be timely informed in case of power shortages.	Building contractor	Supervising Engineer, PMT
	The construction site will be properly fenced and marked.	Building contractor	Supervising Engineer, PMT
	Safe passages will be provided for the pedestrians.	Building contractor	Supervising Engineer, PMT
	Entry for unemployed person within the construction site will be prohibited (within the warning tapes and fences when/where deem needed).	Building contractor	Supervising Engineer, PMT
	The surrounding area near the construction site will be kept clean. No temporary storage of construction materials and waste cannot occur within any type of private property.	Building contractor	Supervising Engineer, PMT
	Scaffolds and other protection installations will be installed in line with the regulation, and best industry best practices (GIIP). It will consider past climate change extremes such as strong winds.	Building contractor	Supervising Engineer, PMT
Public, medical, educational services disruption	Implement SEPs to ensure early consultation with stakeholders, including management staff, employees, and service users (students, medical staff, patients, etc.), to understand their needs and potential concerns.	Building contractor	Supervising Engineer, PMT
	Use of clear communication channels like emails, notices, websites, and physical information boards to keep stakeholders informed about project schedules, potential disruptions, and safety measures.	Building contractor	Supervising Engineer, PMT

	Implement and maintain grievance redress mechanisms to allow public service users to voice concerns about disruptions, ensuring these grievances are addressed promptly and effectively.	Building contractor	Supervising Engineer, PMT
	Maintain specialized GRM for workers and include project GRM provisions for handling sensitive complaints, such as those related to discrimination or SEA/SH.	Building contractor	Supervising Engineer, PMT

	Maintain accessible formats (including for vulnerable groups such as persons with disabilities, elderly, patient) for all communications and feedback mechanisms.	Building contractor	Supervising Engineer, PMT
	Implement temporary adjustments to service delivery such as reorganization of classrooms or offices to minimize disruption to teaching and administrative activities, ensure temporary relocation of critical health and justice services to nearby facilities.	Building contractor	Supervising Engineer, PMT
	In case of relocation develop checklist for the selection of alternative locations. Checklist should include consideration on: accessibility, vicinity, safety and security, adequate spaces and equipment, availability of minimum number of parking lots.	Building contractor	Supervising Engineer, PMT
	During construction, maintain access to essential areas (e.g., elevators, ramps) for vulnerable groups, including people with disabilities, elderly individuals, and patients.	Building contractor	Supervising Engineer, PMT
	Implement clear signage and physical barriers adapted also for vulnerable groups to guide users safely through or around construction zones.	Building contractor	Supervising Engineer, PMT
	Schedule noisy and dusty construction work outside peak hours for public services.	Building contractor	Supervising Engineer, PMT
	Priority given to renovation of critical rooms (e.g., those for victims and witnesses).	Building contractor	Supervising Engineer, PMT
	Inform judicial staff and security services to manage access and flows of persons for safety of victims and witnesses.	Building contractor	Supervising Engineer, PMT
Air quality			
Reduced air quality in the nearby construction area and access road due to emission of dust and particulates	Sprinkle water near the construction materials and non-asphalted roads when needed (e.g., during dry and/or windy periods). Use water where and when appropriate to reduce dust at scraping, grading, cut and fill and demolition activities which may cause dusting and particles emissions.	Building contractor	Supervising Engineer, PMT
	Cover load (surfaces) with plastic coverings during material storage and transportation to avoid dust spreading. Cover bulk materials were not in use.	Building contractor	Supervising Engineer, PMT
	Establish adequate locations for storage, mixing and loading of construction materials.	Building contractor	Supervising Engineer, PMT

	Limit vehicles speed (30 km/h) in the construction area and on the access roads near the residential houses.	Building contractor	Supervising Engineer, PMT
	Regularly clean construction site and access roads from debris.	Building contractor	Supervising Engineer, PMT
	Prevent offsite spread of dust using appropriate screens - a mechanical barrier between the work site and the functional part of the building.	Building contractor	Supervising Engineer, PMT

	Avoid unnecessary journeys.	Building contractor	Supervising Engineer, PMT
Reduced air quality in the nearby area due to gaseous emissions	Use modern attested construction machinery to minimize emissions, provided with muflers and maintained in good and efficient operation condition.	Building contractor	Supervising Engineer, PMT
	Whenever possible, use low sulfur content fuel, for machinery and equipment to reduce SO ₂ emissions from engines.	Building contractor	Supervising Engineer, PMT
	Switch of machinery and equipment when not in use (idle mode).	Building contractor	Supervising Engineer, PMT
	Regularly maintain, service and tune the engines and service construction equipment. All vehicles and machinery must be attested.	Building contractor	Supervising Engineer, PMT
	To minimize dust emission (mainly PM ₁₀) reduce material collection and retention time to a minimum in order to minimize exposure to wind.	Building contractor	Supervising Engineer, PMT
	Burning of waste at the site is strictly forbidden.	Building contractor	Supervising Engineer, PMT
Noise			
Increased noise level in the nearby area	Ensuring that generated noise levels do not exceed the maximum permitted noise levels defined in <i>Rulebook on value limits of Environmental Noise, the Method for Determining the Acoustic Noise Indicators and Assessment Methods of the Harmful Effects of Noise (Official Gazette of Montenegro No. 60/11)</i> .	Building contractor	Supervising Engineer, PMT
	The Sub-Project-affected parties (users of the Sub-Project buildings) must be adequately informed about the Sub-Project and GRM. The Sub-Project-affected parties must be informed about construction schedules, progress, and safety precautions.	Building contractor	Supervising Engineer, PMT
	Community / public must be informed in advance of any work activities to occur outside of normal working hours or on weekends.	Building contractor	Supervising Engineer, PMT
	In case that generated noise levels are severely impacting the Sub-Project-affected parties, it is necessary to choose and apply adequate noise protection measures: adjustment of operating time; use of temporary movable noise barriers; use of alternative working machines with lower noise emission levels.	Building contractor	Supervising Engineer, PMT

	All equipment must be maintained in good operating condition and be attested.	Building contractor	Supervising Engineer, PMT
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	During operations the engine covers of generators, air compressors and other powered mechanical equipment shall be closed, and equipment placed as far as possible from the residential houses.	Building contractor	Supervising Engineer, PMT
Water and groundwater quality / Soil quality			
Risk of pollution of surface water, groundwater and soil due to spill leakage	Material storage areas must be organized and covered.	Building contractor	Supervising Engineer, PMT
	Hazardous liquid waste must be: collected separately (by type), managed by authorized companies and treated/disposed only at licensed sites. Collection containers should have secondary containment system (e.g., double walled or banded containers) with sufficient volume to contain a spill from the largest fuel tank in the structure (minimum 110 %) and should be protected from impact of weather conditions.	Building contractor	Supervising Engineer, PMT
	Containers with hazardous substances must be kept closed, except when adding or removing materials/waste. They must not be handled, opened, or stored in a manner that may cause them to leak.	Building contractor	Supervising Engineer, PMT
	Non-hazardous liquid waste must not be discharged into nature without a prior treatment.	Building contractor	Supervising Engineer, PMT
	Fuel and oil handling must be performed on impermeable surfaces with retention in safe and responsible manner. Storing fuel and other hazardous liquids and materials on construction site must be avoid. If installation of fuel storage tanks is needed, they should be secondary tanks with sufficient volume to contain a spill from the largest fuel tank in the structure (minimum 110%) and will be protected from impact of weather conditions.	Building contractor	Supervising Engineer, PMT
	Handling and management of all materials must be in accordance with instructions included in Material Safety Data Sheets (MSDS) and Technical Data Sheets (TDS) which must be available at the construction site.	Building contractor	Supervising Engineer, PMT
	Hazardous spillage coming from tanks, containers (mandatory secondary containment system, e.g., double walled or banded containers), construction equipment and vehicles (regular maintenance and check-ups of oil and gas tanks) must be prevented.	Building contractor	Supervising Engineer, PMT
	In case of an accident, hazardous liquid must be removed from the soil using adsorption materials such as sand, sawdust or mineral adsorbents. Such waste material must be collected in tanks, stored in the space provided for hazardous waste storage and handed over to authorized companies for hazardous waste. This waste will be managed and treated/disposed as hazardous waste.	Building contractor	Supervising Engineer, PMT

	Wash down areas of concrete and other equipment must be isolated from watercourse by selecting areas for washing that are not free draining directly or indirectly into watercourse as well as those	Building contractor	Supervising Engineer, PMT
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	that are placed on impermeable surfaces and equipped with/connected to municipal water collection system.		
	It is forbidden to extract groundwater on unregulated way, or discharge cement slurries, or any other contaminated waters into the ground or adjacent streams or rivers.	Building contractor	Supervising Engineer, PMT
Biodiversity (flora and fauna)			
Risk of endangering flora and fauna by removing vegetation and polluting water and soil	Restrict the movement of heavy machinery to the access road corridor. Construction site should take up only necessary space.	Building contractor	Supervising Engineer, PMT
	Work along watercourses and canals should be limited to as small area as possible.	Building contractor	Supervising Engineer, PMT
	Cutting down trees and other natural vegetation should be avoided, where possible. In the case of removing vegetation, the areas from which the vegetation will be removed should be clearly marked to prevent unnecessary loss of vegetation in the project area.	Building contractor	Supervising Engineer, PMT
	For the landscape management and greening, mostly autochthonous plant species that occur in the vegetation communities present in the wider area of the individual Sub-Project should be used.	Building contractor	Supervising Engineer, PMT
Material management			
Risk of environmental pollution through inadequate handling of dangerous substances	The subcontractor must have all the necessary skills and experience and precautionary systems in place to prevent a wash off of bituminous materials (primer or primer binder).	Building contractor	Supervising Engineer, PMT
	Water in bitumen emulsion production or concrete should not be contaminated (however, technological water is preferred).	Building contractor	Supervising Engineer, PMT
	Equipment shall be cleaned in areas where there will be no impact to the environment or danger of surface run-off (e.g., areas where water is collected to retention basins and transported to proper water treatment, and waste is separated and appropriately disposed).	Building contractor	Supervising Engineer, PMT
	All materials have to be approved by the Supervising Engineer.	Building contractor	Supervising Engineer, PMT
	Materials temporarily stored on site shall be protected and separated. HDPE pipes are not to be in touch or stored next to oil, coatings, solvents, etc.	Building contractor	Supervising Engineer, PMT
Traffic disturbance			

Increased road traffic	Traffic management must be conducted in accordance with provisions of traffic legislation and ESF (e.g., appropriate lighting, traffic safety signs, barriers and flag persons that are seen easily or are easy to follow, road speed shall be clearly posted).	Building contractor	Supervising Engineer, PMT
	Traffic must be organized in a safe manner. Access road speed must not exceed 30 km/h. Major transport activities should be avoided during rush hours.	Building contractor	Supervising Engineer, PMT

	Where construction traffic and public traffic intersect, safe passages and crossings for pedestrians and workers must be ensured.	Building contractor	Supervising Engineer, PMT
	All materials prone to dusting and susceptible to weather conditions must be protected from atmospheric impacts either by windshields, covers, watered or other appropriate means.	Building contractor	Supervising Engineer, PMT
	Roads must be regularly swept and cleaned at critical points. Spilled materials must be immediately removed from the road and cleaned. Access roads must be well maintained.	Building contractor	Supervising Engineer, PMT
	Spilled materials must be immediately removed from tracks and cleaned. Tracks must be well maintained.	Building contractor	Supervising Engineer, PMT
	Access of the construction and material delivery vehicles must be strictly controlled, especially during the wet weather.	Building contractor	Supervising Engineer, PMT
	In an event where the traffic will be interrupted the Contractor needs to organize alternative routes and timely announce alternative traffic regulation to the local communities in line with the SEP.	Building contractor	Supervising Engineer, PMT
	Temporary traffic signage will be organized on a basis of Project of temporary traffic signage according to Regulation on traffic signage (Official Gazette of Montenegro No. 33/12, 58/14, 14/17 and 66/19).	Building contractor	Supervising Engineer, PMT
Waste management			
Waste generation	Each type of generated waste on the location must be temporary stored in separate waste container which have to be labelled with waste type name and waste code and located at the solid surface foreseen for that purpose on the construction site.	Building contractor	Supervising Engineer, PMT
	Records on waste streams and amounts must be kept for each type of waste generated at the location. For all waste, information on handing over waste to the final destination must be obtained. Keeping records of waste generated is the obligation of the contractor. Records will be shared with PMT upon request.	Building contractor	Supervising Engineer, PMT
	All waste must be handed over with appropriate documentation to the companies authorized for the waste management (companies that have adequate waste management permit). Waste can be disposed/processed only at licensed landfills/processing plants.	Building contractor	Supervising Engineer, PMT
	Mineral (soil) waste must be disposed exclusively at the designated locations, approved by competent authorities, or be reused. Records of this must be kept.	Building contractor	Supervising Engineer, PMT

	Whenever feasible the contractor shall reuse and recycle appropriate and viable materials (except asbestos).	Building contractor	Supervising Engineer, PMT
	Burning or illegal dumping of waste is strictly prohibited.	Building contractor	Supervising Engineer, PMT
Removal of asbestos	Asbestos Removal and Management Plan, subject to PMT and WB approval, must be prepared. Plan shall include procedures for removing materials containing asbestos before proceeding with the	Building contractor	Supervising Engineer, PMT

	removal of the building structures, describe application of necessary measures to protect workers health and safety, all according to national legislation and WB policies.		
	The strong-bound asbestos prior to removal must be treated with a wetting agent to minimize asbestos dust. Wetting is carried out by spraying or spraying with low-pressure sprayers. It is not allowed to spray water under high pressure. Asbestos fibres that have accumulated in the drains must be soaked so that a thick mixture is formed, which can be removed with a spatula in a polyethylene bag (PE). The bag must be tightly sealed. Drills, saws or high-speed tearing tools must not be used during disassembly of ACM parts. If the ACM parts cannot be removed without the use of tools, it is important to use only hand tools or mechanical aids for processing asbestos cement with built-in vacuum cleaners that have HEPA filters (HEPA = high efficiency particulate air). The area from which the ACM were removed must be carefully inspected for debris. The structure must be carefully cleaned with a vacuum cleaner with a HEPA filter.	Building contractor	Supervising Engineer, PMT
	After removal, asbestos waste must be properly stored at the location and handed over to the authorized waste collector/waste treatment facility as early as possible in accordance with the waste management regulations.	Building contractor	Supervising Engineer, PMT
	Asbestos waste must be stored in a covered container or tightly closed bags (for construction rubble), thus preventing spreading, dispersing and spillage of that waste out of construction site due to weather conditions. Asbestos located on the Project site must be marked clearly as hazardous material.	Building contractor	Supervising Engineer, PMT
	The removed asbestos will not be reused. It will be disposed to a licensed landfill before closing of the Sub-Project.	Building contractor	Supervising Engineer, PMT
	It is forbidden to dispose asbestos waste into the mixed municipal waste and mixing with other waste and other non-waste materials.	Building contractor	Supervising Engineer, PMT
	In the case of soft-bound asbestos is found, specific measures for asbestos removal will be applied in line with the national legislation and best practices. Finding of soft-bound asbestos will be reported to the PMT/WB without delay.	Building contractor	Supervising Engineer, PMT
Accidents and emergencies			
Accident/ incident	Emergency Preparedness and Response Plan (as part of the C-ESMP) must be prepared and shall include actions that must be taken to ensure staff safety in an emergency (spills, accidents, fire, explosion, earthquake...), including a list of all emergency equipment at the construction site (such as fire extinguishing systems, spill control equipment, communications), and alarm systems (internal and external), and decontamination equipment, contacts of responsible persons, competent authorities, other emergency numbers, evacuation plan.	Building contractor	Supervising Engineer, PMT

	In the case of significant accident/incident (fatality, serious injury, larger spillage, fire, and similar) Supervising Engineer will notify the PMT (E&S specialists) within 24 hours and fulfil the Notification report. Activities will be carried out in accordance with the Project's Incident/Accident Procedure.	Building contractor	Supervising Engineer, PMT
Cultural heritage			
Potential chance finds	If during implementation of project activities some archaeological finds are encountered, works have to be stopped immediately and site, i.e. the findings must be secured against possible damage, destruction and unauthorized access by other persons and the location, i.e. findings must be reported to the competent authority. Works shall be resumed only after appropriate measures have been taken as required by relevant authority and after it confirms that works may continue for all cases where the cultural heritage and its fundamental values can be protected at the existing location with special protection measures protect the cultural heritage on the spot.	Building contractor	Supervising Engineer, PMT
Conservation measures	For buildings located in protected cultural and historical entities /area Cultural Heritage Management Plan (CHMP) will be developed as a part of ESMP/ESMP Checklist. All national required conditions and if necessary, permits from the cultural heritage competent authority will be obtained and integrated in the Cultural Heritage Management Plan. CHMP must reflect requirements of ESF and national legislation and will be a subject to WB approval. CHMP will be disclosed and consulted, as an annex of ESMP/ESMP Checklists in line with the ESS10 and included in bidding and contracting documentation.	Building contractor	Supervising Engineer, PMT
Stakeholder engagement			
Engagement of Local Community	Implemented and monitored GRM for receiving, evaluating, and addressing project-related complaints, feedback, questions and suggestions. GRM is easily accessible to community members with multiple channels for lodging complaint.	Building contractor	Supervising Engineer, PMT
	Continuous communication with all stakeholders through development, implementation and monitoring of SEP	Building contractor	Supervising Engineer, PMT
Social conflicts arising from presence of construction personnel and construction works	Implemented and monitored GRM for receiving, evaluating, and addressing project-related complaints, feedback, questions and suggestions. GRM is easily accessible to community members with multiple channels for lodging complaint	Building contractor	Supervising Engineer, PMT
	Continuous communication with all stakeholders through development, implementation and monitoring of SEP	Building contractor	Supervising Engineer, PMT
	GRM set up in a way to ensure secure mechanism for lodging SEA/SH complaints.	Building contractor	Supervising Engineer, PMT
	Contractor with prepared and enforced Code of Conduct for Workers that received training on the prevention of SEA/SH	Building contractor	Supervising Engineer,

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➤ **Metrics for reporting (environmental and social monitoring plan for Supervision Engineer to submit to PMT)**

Environmental and Social aspect	Measure to be monitored	A more detailed explanation is required (evidence must be provided upon request)
General conditions		
Permits and certificates (measures to be monitored single time)	Are all required permits acquired prior to works and kept on site?	
	Do Contractor and Subcontractors have operating licenses?	
	Is the state inspectorate notified of upcoming activities and is the copy of notification available at the construction site?	
	Are all other relevant competent authorities notified of commencement of works (police, firefighters, etc.)?	
	Are materials quality certificates, vehicles attest, certificates for working at heights, health and safety certificates for workers (e.g. to operate heavy machinery and vehicles) in place before works commence?	
Site organization	Is the Construction Work Plan available at the construction site and updated in a timely manner? Indicate the update date.	
	Is the construction site properly fenced and marked?	
	Is temporary material storage on the construction site clearly marked?	
	Is there temporary storage of construction materials and waste within any type of private property?	
	Is the surrounding area near the project kept clean?	
	Are stockpiles located away from drainage lines, natural waterways and places susceptible to land erosion? Are they under 2 m in height?	
	Are all transportation vehicles and machinery equipped with appropriate emission control equipment, regularly maintained and attested?	
	Does the Contractor use unlicensed borrow pits, quarries, or waste dumps in adjacent areas, or protected areas?	
	Does noise during night work exceed the limits prescribed by the law? Were there any complaints?	
Occupational Health and Safety and Community Safety		
Worker's safety	Is Safety at Work Plan available at the construction site and updated in a timely manner? Indicate the update date.	

	Are staff properly trained and certified for the positions and work performed: electrician, workers working with asbestos materials, working at heights, operating dangerous machinery, etc.?	
	Do engaged workers use protective equipment? Are sufficient quantities and quality of equipment available?	
	Are appropriate informative and warning signposting of the sites in place to inform workers (and authorized visitors) of key rules and regulations to follow?	
	Are marking in and out of the construction sites /section by section and speed-reduction signs ensured?	
	Are all dangerous spots in the working sites such as pits, trenches, etc. clearly marked and fenced?	
	Is Fire Safety Plan (as part of C-ESMP) available at the construction site and updated in a timely manner? Indicate the update date.	
	Are devices, equipment and fire extinguishers attested and functional, so in case of need they could be used rapidly and efficiently?	
	Is constant presence of attested firefighting devices ensured on sites in case of fire or other damage?	
	Is first aid kits available on the site and is personnel trained to use it?	
	Are procedures for cases of emergency (including spills, accidents, etc.) available at the construction site and conveyed to all workers?	
	Are adequate sanitary facilities (toilets and washing areas) provided at the construction site with adequate supplies of hot and cold running water and soap?	
Discrimination against women/vulnerable groups in the hiring process of workers	Are wages and contract conditions offered to all employees in accordance with national labor laws or higher standards that should be competitive in all categories of workers?	
Worker's health due to improper asbestos handling	Is Asbestos Removal and Management Plan (as part of C-ESMP) available at the construction site and updated in a timely manner? Indicate the update date.	

	Are workers handling asbestos equipped with appropriate personal protective equipment for respiratory protection and other personal protective equipment?	
Labor influx	Are information regarding Worker Code of Conduct provided in local language and language accessible to foreign workers?	
	Are workers hired through recruitment offices?	
Sexual Exploitation and Abuse (SEA)/ Sexual Harassment (SH)	Has Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) between the Contractor and other Contractor's or Employer's Personnel or among workers has been recorded?	
Community safety	Were there power shortages? Was local community timely informed?	
	Is the construction site organized in accordance with the safety at work measures?	
	Are scaffolds and other protection installations installed in line with specific design (if required), regulation, and best industry best practices (GIIP)?	
	Are mitigation measures for noise and dust emission, air, water and soil pollution in place?	
	Are traffic disturbance measures in place?	
Air quality		
Reduced air quality in the nearby construction area and access road due to emission of dust and particulates	Is Plan for Prevention and Control of Water, Soil and Air Pollution (as part of C-ESMP) available at the site and updated in a timely manner Indicate the update date.	
	Are mitigation measures against dust emissions implemented (water sprinkling, load and bulk covering, limiting vehicles speed, cleaning site from debris, installing mechanical barrier in front of sensitive receptors (patients wards)?	
Reduced air quality in the nearby area due to gaseous emissions	Are mitigation measures against gaseous emissions implemented (use of modern attested construction machinery, use of low sulphur content fuel when possible, switching of machinery when not in use, regular maintaining, and servicing of engines and construction equipment, minimize material retention time, etc.)?	

Noise		
Increased noise level in the nearby area	Is Plan for Prevention of Excessive Increase in Noise Level (as part of C-ESMP) available at the site and updated in a timely manner? Indicate the update date.	
	Are noise mitigation measures in place in case generated noise levels exceed the maximum permitted noise levels (adjustment of operating time, use of temporary movable noise barriers or use of alternative working machines with lower noise emission levels, during operations the engine covers of generators, air compressors and other powered mechanical equipment shall be closed, and equipment placed as far as possible from the residential houses.)?	
Water and groundwater quality / Soil quality		
Risk of pollution of surface water, groundwater and soil due to spill leakage	Are mitigation measures against surface water, groundwater and soil pollution implemented?	
	- Separate collection of hazardous liquid waste, management of waste by authorized companies, disposing on a licensed filed, secondary containment system.	
	- Fuel and oil handling are performed on impermeable surfaces in safe and responsible manner, if installation of fuel storage tanks is needed, they should be secondary tanks with sufficient volume to contain a spill from the largest fuel tank in the structure (minimum 110%) and will be protected from impact of weather conditions.	
	- Material storage areas are organized and covered.	
	- Adsorption materials such as sand, sawdust or mineral adsorbents are available at the site in case of accident.	
	- Selecting areas for washing that are placed on impermeable surfaces and equipped with/connected to municipal water collection system.	
	- Discharge cement slurries, or any other contaminated waters into the ground or adjacent streams or rivers is prohibited.	

Biodiversity (flora and fauna)		
Risk of endangering flora and fauna by removing vegetation and polluting water and soil	Are mitigation measures against endangering flora and fauna implemented (restrict the movement of heavy machinery to the access road corridor, avoid cutting down trees and other natural vegetation, clearly mark the area from which the vegetation is removed to prevent unnecessary loss of vegetation in the project area, use only autochthonous plant species that occur in the vegetation communities present in the wider area of the Sub-Project)?	
Material management		
Risk of environmental pollution through inadequate handling of dangerous substances	Are systems to prevent a wash off of bituminous materials (primer or primer binder) in place?	
	Is equipment cleaned in areas where there is no impact to the environment or danger of surface run-off?	
	Are all materials temporarily stored on site protected and separated?	
Traffic disturbance		
Increased road traffic	Has temporary traffic regulation been established and maintained (according to the Project of Temporary Traffic Signage)? Have there been any changes in regulation?	
	Are safe passages and crossings for pedestrians and workers where construction traffic interferes ensured?	
Maintenance of road cleanliness	Are all materials prone to dusting and susceptible to weather conditions protected from atmospheric impacts (by windshields, covers, watered or other appropriate means)?	
	Are roads regularly swept and cleaned at critical points?	
	Is access of the construction and material delivery vehicles strictly controlled, especially during the wet weather?	
Waste generation and management		
Waste generation	Is Waste Management Plan (as part of C-ESMP) available at the site and updated in timely manner? Indicate the update date.	
	Are mitigation measures for waste management implemented:	

	- Each type of generated waste on the location is temporary stored in separate waste container which are labelled with waste type name and waste code and located at the solid surface foreseen for that purpose on the construction site.	
	- Mineral (soil) waste is disposed exclusively at the designated locations, approved by competent authorities, or be reused. Records of this are kept.	
	- Records on waste streams and amounts is kept for each type of waste generated at the location.	
	- All waste is handed over with appropriate documentation to the companies authorized for the waste management (companies that have adequate waste management permit). Waste is disposed/processed only at licensed landfills/processing plants.	
	- For all waste, information on handing over waste to the final destination is obtained.	
	- Whenever feasible the Contractor is reusing and recycling appropriate and viable materials (except asbestos).	
	- Mineral (natural) construction and demolition wastes are separated from general refuse, organic, liquid and chemical wastes by on-site sorting and temporarily stored in appropriate containers. Depending on its origin and content, mineral waste is reapplied to its original location or reused.	
	- Asbestos located on the Project site is marked clearly as hazardous material.	
	- The strong-bound asbestos prior to removal is treated with a wetting agent to minimize asbestos dust.	
	- After removal, asbestos waste is properly stored at the location and handed over to the authorized waste collector/waste treatment facility as early as possible in accordance with the waste management regulations.	
	- Is asbestos waste stored in a covered container or tightly closed bags (for construction rubble).	

	Was there soft-bound asbestos found?	
	What is the amount of generated waste by type?	
Accidents and emergencies		
Accident/incident	Were any accidents (fatality, serious injury, larger spilling, fire, and similar) or minor incident recorded and what was the response?	
Cultural heritage		
Potential chance finds	Were there any archaeological finds encountered during excavations?	
Stakeholder engagement		
Social conflicts arising from presence of construction personnel and construction works	Is Code of Conduct for Workers prepared, disseminated, signed, and enforced? Are training courses on the Code of Conduct organized for all workers?	
	How many complaints were received from the local community and users of building and were they resolved?	
Contractor Grievance Redress Mechanism	Is the Plan for establishing Contractor Grievance Redress Mechanism (GRM) as part of the C-ESMP available at site and updated in timely manner? Indicate the update date.	
	Have trainings on Contractor GRM been organized for all workers?	
	Is access to safe GRM for workers ensured?	
	Is access to other grievance mechanisms (unions, arbitration) ensured?	
	What is the number and type of complaints received and their status?	

ANNEX 4 - CONTRACTORS- ESMP CONTENT OUTLINE AND TEMPLATE

Section	Content Description	To be Completed by Contractor
1. Sub-Project Description	Brief description of the construction activities, timeline, materials, equipment, and workforce.	
2. Contractor Details	Name of Contractor and Subcontractors, EHS Manager contact details.	
3. Compliance Statement	Statement of commitment to comply with the national law, CRFADS ESMF, ESMP, World Bank ESF, and relevant permits.	
4. Legal and Institutional Framework	List of applicable national laws, permits obtained, ESS standards to be followed.	
5. Roles and Responsibilities	Names and roles of Contractor's EHS staff, site managers, and other responsible personnel.	
6. Environmental and Social Mitigation Measures	Site-specific mitigation measures for: <ul style="list-style-type: none"> • Air quality • Noise and vibration • Water and soil protection • Waste management • Biodiversity • Occupational health and safety • Community health and safety • Labor and working conditions • Cultural heritage • SEA/SH risks 	
7. Environmental and Social Monitoring Plan	Monitoring indicators, frequency, methodology, and reporting requirements.	
8. Occupational Health and Safety (OHS) Plan	Site-specific OHS risk assessment, provision of PPE, worker training, emergency procedures.	
9. Labor Management Plan (LMP)	Worker hiring practices, non-discrimination measures, Worker Code of Conduct, worker GRM, SEA/SH prevention measures.	
10. Traffic Management Plan	Routes, safety measures, signage, speed limits, coordination with authorities.	
11. Waste Management Plan	Procedures for segregation, storage, transport, disposal of all waste streams including hazardous waste and asbestos (if applicable).	
12. Resource Efficiency and Pollution Prevention Plan	Measures to minimize energy, water use, control dust, emissions, and manage spills.	
13. Emergency Preparedness and Response Plan (EPRP)	Emergency scenarios, roles and contacts, available emergency equipment, evacuation procedures.	
14. Cultural Heritage Protection and Chance Finds Procedure	Actions to protect known cultural heritage and steps to be followed in case of chance finds.	
15. Community Health and Safety Plan	Measures to protect the public, community GRM access, SEA/SH risk mitigation.	
16. Stakeholder Engagement Plan	Communication strategy with stakeholders and local communities, information disclosure, feedback mechanisms.	
17. Reporting Plan	Types of reports to be submitted, frequency, and format (aligned with PMT requirements).	
18. Grievance Redress Mechanism (GRM)	Procedures for receiving, processing, and resolving grievances from workers and community.	
19. Training and Capacity Building Plan	Types of training for workers and staff (OHS, SEA/SH, environmental management, cultural heritage awareness).	
20. Attachments	Any supporting documents, such as permits, insurance certificates, training records, and MSDS sheets.	

ANNEX 5 – CRFADS PROJECT EXCLUSION LIST

(Full list of excluded activities based on national laws and the World Bank ESF.)

Exclusion List for CRFADS Project Activities

In line with the Environmental and Social Management Framework (ESMF) objectives, and considering the pending confirmation of the Animal By-Product (ABP) Facility location, the following exclusion criteria apply to all Project-financed activities until site-specific ESIAs/ESMPs are developed and approved.

The Project will not finance or support any activity that:

1. Environmental Exclusions

- Is located within, or significantly impacts, critical natural habitats, legally designated protected areas, areas proposed for protection, or areas of high ecological sensitivity (including Ramsar sites, Natura 2000, and UNESCO World Heritage sites)⁸.
- Involves conversion or degradation of natural forests, wetlands, or coastal ecosystems.
- Requires dredging or marine works that could cause irreversible damage to coastal or marine biodiversity (unless a site-specific ESIA determines full compliance with mitigation standards).
- Generates hazardous wastes that cannot be safely managed according to national regulations and World Bank ESS3 standards.
- Uses hazardous materials or chemicals banned under international conventions ratified by Montenegro.
- Would likely lead to significant pollution of surface water, groundwater, or soil beyond thresholds allowed under Montenegrin and EU law.
- **Involves excessive water abstraction or extraction likely to affect sensitive ecosystems or areas experiencing water scarcity.**
- **Relies on outdated, inefficient, or highly polluting equipment and technologies inconsistent with Good International Industry Practice (GIIP) or national standards.**

2. Social Exclusions

- Requires physical displacement of people (i.e., land acquisition resulting in relocation or loss of shelter).

Note: Involuntary resettlement will be avoided by exploring all viable alternatives after taking into consideration all facts such as public health or safety.

⁸ Screening and exclusion of activities in or near protected areas will be guided by the World Bank Interim Guidance Note on Protected Areas (2025), which complements ESS6 and national legislation by defining specific risk management requirements for projects involving protected or internationally recognized areas

- Results in economic displacement without appropriate mitigation measures (such as loss of livelihoods or access to productive assets).
- Is located on private or informally occupied land without full, documented consent and legal clearance.
- Risks adverse impacts to vulnerable groups, including minority groups, women-headed households, or persons with disabilities.
- Involves any form of child labor, forced labor, or exploitative labor practices, inconsistent with ESS2.

3. Land Use Exclusions

- Involves land that is not publicly owned or where third-party claims exist, unless such claims are fully resolved in accordance with ESS5 (Involuntary Resettlement).
Note: It is highly unlikely that any of the activities under the above-mentioned project components will induce impacts stemming from involuntary land acquisition, restrictions on land, or resettlement.

4. Cultural Heritage Exclusions

- Affects recognized cultural heritage sites, unless activities are limited to retrofitting or conservation under the supervision of the competent cultural heritage authorities.

5. Other Risk Exclusions

- Has a high probability of causing irreversible, cumulative, or transboundary environmental or social impacts that cannot be mitigated to acceptable levels.
- Presents occupational health and safety risks that cannot be managed with standard mitigation measures and Good International Industry Practice (GIIP).

Notes:

- Activities found to potentially trigger any of the exclusion criteria above during environmental and social screening will be immediately deemed ineligible for financing under the CRFASD Project.
- Screening forms and eligibility assessments will be maintained for all subprojects.
- This Exclusion List remains effective until site-specific ESIA/ESMPs are prepared, approved, and disclosed in line with the World Bank Environmental and Social Framework (ESF) and applicable national requirements.

IFC Exclusion List for Project Activities⁹

In line with the **World Bank Environmental and Social Framework (ESF)** and the principles of responsible environmental and social management, the **CRFASD Project** will not support or finance any activity or subproject that involves sectors, goods, or practices included in the **IFC Exclusion List (2007)**, the **World**

⁹ [IFC's Exclusion List \(2007\)](#)

Bank Group Environmental, Health, and Safety (EHS) Guidelines, or any activity prohibited under applicable Montenegrin legislation or international conventions and agreements.

Project activities or subprojects will **not be eligible for financing** if they involve any of the following:

- Production or trade in any product or activity deemed illegal under Montenegrin laws, international conventions, or agreements, including but not limited to:
 - Pharmaceuticals, pesticides/herbicides, ozone-depleting substances, polychlorinated biphenyls (PCBs), and wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Production or trade in weapons, munitions, or military equipment.
- Gambling, casinos, and equivalent enterprises.
- Production or trade in radioactive materials, except for medical, quality control, or other equipment where the radioactive source is adequately shielded and deemed safe under international guidelines.
- Production or trade in unbonded asbestos fibers. *(Note: This does not apply to the purchase or use of bonded asbestos cement products where the asbestos content is less than 20% and permitted under national regulations.)*
- Coal-related activities, including coal mining, coal transportation, coal-fired power plants, or infrastructure exclusively dedicated to such activities. *(An exception may apply to captive coal-fired power plants used for industrial processes, subject to prior review.)*
- Drift net fishing in marine environments using nets longer than 2.5 kilometers.
- Production or trade in alcoholic beverages (excluding beer and wine), unless part of a legally approved and regulated small-scale agrifood value chain.
- Production or trade in tobacco or tobacco-related products.
- Commercial logging operations in primary tropical moist forests.
- Production or trade in wood or other forestry products that are not sourced from **sustainably managed forests**, as certified by credible schemes (e.g., FSC, PEFC).
- Production or activities involving **harmful or exploitative forms of forced labor or child labor**, as defined in **ILO Convention No. 138 (Minimum Age)** and **Convention No. 182 (Worst Forms of Child Labor)**.

In addition, the CRFASD Project will not support any activity or subproject that:

- May result in the significant conversion or degradation of **critical habitats** (as defined under **ESS6**);
- Involves involuntary resettlement that cannot be addressed in accordance with **ESS5** requirements;
- Poses unacceptable environmental, health, or safety risks to communities without adequate mitigation measures.
- All proposed investments and subprojects will be **screened against this exclusion list** during the environmental and social screening process outlined in the **Environmental and Social Management**

Framework (ESMF). Any activity found to be noncompliant with these criteria will be **excluded from financing** under the CRFASD Project.

ANNEX 6 – ENVIRONMENTAL AND SOCIAL RISK CLASSIFICATION MATRIX

(As presented in Table 9 of the ESMF—criteria for risk rating and selection of appropriate E&S instruments.)
Environmental and Social Risk Classification for CRFADS Subprojects

The screening procedure for CRFADS subprojects classifies activities into four environmental and social (E&S) risk levels, based on type, scale, location, sensitivity, and potential social risks, as well as alignment with Montenegrin EIA legislation (List I and List II projects) and the World Bank Environmental and Social Framework (ESF).

Cross-reference: See also Chapter 3 of the ESMF for full national EIA requirements and how they apply to CRFADS subprojects.

Risk Level	Description	Eligibility / Required E&S Instruments
1. Low Risk	Subprojects with negligible environmental and social impacts. Activities that are neither listed in List I nor List II of the EIA Regulation. - Adaptation works. - Works not located in protected environments or cultural heritage areas.	Eligible for financing. - Checklist ESMP required. - SEP to be implemented. - No additional E&S assessment necessary.
2. Moderate Risk	Subprojects expected to have manageable, temporary, and local environmental or social impacts. May fall under List II of the national EIA Regulation. - Reconstruction works. - Rehabilitation or reconstruction of Paying Agency or similar public service buildings. - Activities in non-sensitive environments.	Eligible for financing. - ESMP Checklist or full ESMP required. - SEP to be implemented. - Beneficiary must request national EIA screening decision; PMT to follow up. - If within protected cultural zones, a CHMP will also be required.
3. Substantial Risk	Subprojects with potentially significant or irrevocable environmental and social impacts. May fall under List I or List II of the national EIA Regulation. - Potential List I projects (mandatory full EIA required): • New large-scale facilities (e.g., ABP facility if thresholds exceeded). • Major port infrastructure if List I thresholds triggered. - Potential List II projects: • Construction of Paying Agency buildings in sensitive/protected zones. • Construction exceeding 1,000 m ² for commercial/service use or in protected environments. - Limited social conflict or harm possible.	Eligible for financing. - ESIA and ESMP required, or robust ESMP where appropriate. - All relevant ESS management plans to be developed (e.g., Waste Management, Resource Efficiency, Community Health and Safety, Traffic Management, Labor Management, etc.). - Existing ESIA's will be reviewed (and revised if needed) for ESF compliance. - National EIA process to be followed. - CHMP required if cultural heritage risks apply.
4. High Risk	Subprojects likely to cause highly significant, diverse, and/or long-term adverse impacts on human health and the environment, which are difficult to determine at the subproject identification stage. Impacts may extend beyond the project site.	Not eligible for financing under CRFADS.

Notes:

- The **final risk classification** and required E&S instruments for each subproject will be determined by the PMT based on screening results, subject to **World Bank review and approval**.

- Risk classification will consider the type, scale, location, environmental and social sensitivity, potential cumulative impacts, and the applicability of World Bank ESS requirements (particularly ESS1, ESS3, ESS4, and ESS5).
- Screening and classification forms (Annex 1) will be maintained for all subprojects.

ANNEX 7 – RESOURCE EFFICIENCY AND POLLUTION PREVENTION CHECKLIST (ESS3 ALIGNMENT)

(A checklist/tool for verifying that sub-project design and technical documentation address ESS3 requirements.)

Purpose

This checklist will serve as a practical tool for the **PMT, Contractors, Designers, and Supervision Engineers** to verify that **sub-project design, technical documentation, and works implementation** are aligned with the **World Bank Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention and Management**.

It covers **energy efficiency, water use, raw materials, and pollution prevention** measures across all phases of the sub-project.

Part 1: General Information

Project/Activity Title

Sub-project Location

Component/Sub-component

Contractor

Supervising Engineer

Date of Review

Part 2: Resource Efficiency Compliance Checklist

ESS3 Aspect	Design Phase Compliance	Construction Phase Compliance	Operations Phase Compliance	Remarks/Actions Needed
Energy Efficiency				
Have energy-efficient equipment and systems been selected (lighting, HVAC, motors)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Has insulation been optimized for seasonal conditions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are renewable energy sources integrated where feasible (solar panels, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Water Use Efficiency				
Are low-flow water fixtures and water-saving appliances included?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is rainwater harvesting or greywater reuse considered?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

ESS3 Aspect	Design Phase Compliance	Construction Phase Compliance	Operations Phase Compliance	Remarks/Actions Needed
Are water-efficient landscaping and irrigation systems included?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Raw Material Use				
Are sustainable/recycled construction materials specified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Is the use of local materials maximized to reduce transport emissions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Have material quantities been optimized to minimize waste?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Pollution Prevention – Air				
Are dust suppression measures specified (e.g., watering, enclosures)?	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Are emissions controls included for construction machinery and equipment?	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Pollution Prevention – Water				
Are measures in place to prevent runoff and sedimentation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Is wastewater properly managed (collection, treatment, discharge)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Pollution Prevention – Waste				
Are construction and hazardous waste management plans developed?	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Is recycling/reuse of materials planned where feasible?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	
Are operational waste management procedures defined?	N/A	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Noise and Vibration Control				
Are noise limits defined for construction and operation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are vibration monitoring and control measures identified (if applicable)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A	

Part 3: Summary of Gaps and Actions

Identified Gap Required Action Responsible Party Deadline

Instructions for Use

- This checklist should be completed **at the design phase, prior to construction start, and during operation readiness.**
- The **PMT Environmental Specialist** and **Supervision Engineer** will verify compliance at each stage.
- Any gaps must be addressed before proceeding to the next phase of project implementation.
- All checklists and corrective actions will be archived as part of the project's Environmental and Social Management documentation.

ANNEX 8 – GRIEVANCE REDRESS MECHANISM (GRM) TEMPLATES

➤ **Grievance submission form**

Climate Resilient Fisheries and Agrifood Sector Development (CRFASD) Project

Grievance Reference Number *(to be filled by GRM Focal Point)*

A. Personal Information

Name (optional)

Contact Information (address, telephone, e-mail)

Preferred method of contact (tick one)

☐ Telephone ☐ E-mail ☐ In person ☐ Other:

B. Details of the Grievance

Please describe your grievance or concern (what happened, when, where, who was involved)

What impact has this had on you or others (e.g., financial, social, environmental, health & safety)?

C. Previous Actions Taken (if any)

Have you previously raised this issue with the Project or any authority? ☐ Yes ☐ No

If yes, please describe when and with whom

D. Desired Outcome

| What would you like to see happen to resolve your grievance? | |

E. Confidentiality & Consent

| ☐ I would like my identity to remain confidential. | |

| ☐ I consent to the Project using the information provided in this form to process my grievance. | |

Signature (if not anonymous)

Date

GRM Office Use Only

Date Received:

Received by (name):

Means of submission:

☐ In person ☐ E-mail ☐ Phone ☐ Other

Grievance Category:

Action Taken/Response Provided:

Date of response to complainant:

Date Received:

Grievance closed (Yes/No):

➤ **GRM log template**

Grievance log Climate Resilient Fisheries and Agrifood Sector Development Project (CRFADS)

Log No.	Date Received	Complainant Name / ID	Contact Information	Description of Grievance	Category	Location	Receiving Channel	Action Taken / Investigation Summary	Resolution Provided	Date Closed	Remarks / Follow-Up
					(e.g., E&S, Labor, SEA/SH, Community)		(e.g., In-person, Phone, Email, Online Form)				

Instructions for Use

1. **Log No.:** Unique sequential number assigned to each grievance.
2. **Date Received:** The date when the grievance was officially recorded.
3. **Complainant Name / ID:** Name or code if anonymity is requested.
4. **Contact Information:** Phone, email, or address (or marked as anonymous).
5. **Description of Grievance:** Short summary of the issue raised.
6. **Category:** Classify the grievance (Environmental, Social, Labor, Gender/SEA/SH, Health and Safety, Other).
7. **Location:** Physical location or project component associated.
8. **Receiving Channel:** How the grievance was submitted.
9. **Action Taken / Investigation Summary:** Describe the actions taken to assess and investigate the grievance.
10. **Resolution Provided:** State what resolution or corrective measure was offered or applied.
11. **Date Closed:** Date when the grievance was resolved or closed.
12. **Remarks / Follow-Up:** Note any follow-up actions or if escalation is required.

ANNEX 9 – INCIDENT NOTIFICATION REPORT

Incident notification reports shall be filled by the Contractor and Supervising Engineer with the assistance of witnesses. Incident notification shall be submitted to PMT.

INITIAL NOTIFICATION REPORT on occurred environmental incidents/accident

Date of reporting	
Report N°	
Person reporting	
INFORMATION ON THE EVENT	
Type of event	<input type="checkbox"/> Emissions into the environment <input type="checkbox"/> air <input type="checkbox"/> water (km) <input type="checkbox"/> soil (ha) <input type="checkbox"/> Fire <input type="checkbox"/> Explosion <input type="checkbox"/> Toxic cloud emission <input type="checkbox"/> Transport <input type="checkbox"/> Other
Location	
Date	
Time	
Preliminary identification of the incident cause	
Responsible persons (if identified)	
DANGEROUS SUBSTANCE PRESENT	
Chemical name/key number for waste	
State of aggregation	
Participation	<input type="checkbox"/> caused the incident/accident <input type="checkbox"/> participated in the incident/accident <input type="checkbox"/> created in the incident/accident
The amount of hazardous substance that was involved in the incident/accident	
Event description (in as much detail as possible)	
Duration of event	
CONSEQUENCES OF EVENT	
Injuries within the construction site (Y/N)	

Number of injuries within the construction site
Injuries outside construction sites (Y/N)
Number of injuries outside construction sites
Immediate environmental pollution (detailed description)
Emission into air
Water pollution
Soil pollution
POST-EVENT ACTIVITIES TAKEN BEFORE REPORTING
Engaged external services/ subcontractors
Evacuation/Shelter
Urgent remedial measures
Decontamination
Other
RECOMMENDATIONS FOR NEW MEASURES
Preventing the reoccurrence of a sudden event

SIGNATURES		
Reporting person	Supervisor	Witness(es)

INITIAL NOTIFICATION REPORT
on occurred social incidents and/or injuries

Date of reporting
Report N°
Person reporting (please specify name and function)
Who needs to know about this report (please specify name and function)

<p>Classification of the event</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Indicative <ul style="list-style-type: none"> • Relatively minor and small-scale localized incident that negatively impacts a small geographical areas or small number of people • Does not result in significant or irreparable harm • Failure to implement agreed E&S measures with limited immediate impacts <input type="checkbox"/> Serious <ul style="list-style-type: none"> • An incident that caused or may potentially cause significant harm to the environment, workers, communities, or natural or cultural resources • Failure to implement E&S measures with significant impacts or repeated non-compliance with E&S policies incidents • Failure to remedy Indicative non-compliance that may potentially cause significant impacts • Is complex and/or costly to reverse • May result in some level of lasting damage or injury • Requires an urgent response • Could pose a significant reputational risk for the Bank. <input type="checkbox"/> Severe <ul style="list-style-type: none"> • Any fatality • Incidents that caused or may cause great harm to the environment, workers, communities, or natural or cultural resources • Failure to remedy serious non-compliance that may potentially cause significant impacts that cannot be reversed • Failure to remedy serious non-compliance that may potentially cause severe impacts complex and/or costly to reverse • May result in high levels of lasting damage or injury • Requires an urgent and immediate response • Poses a significant reputational risk to the Bank.
<p>Type of event</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Injury <input type="checkbox"/> Fatality <input type="checkbox"/> Disease or suspected disease <input type="checkbox"/> Property damage <input type="checkbox"/> Dangerous occurrence <input type="checkbox"/> Harassment <ul style="list-style-type: none"> <input type="checkbox"/> Aggressive Pressure <input type="checkbox"/> Intimidation <input type="checkbox"/> Verbal abuse <input type="checkbox"/> Physical abuse <input type="checkbox"/> Conflict <ul style="list-style-type: none"> <input type="checkbox"/> Verbal <input type="checkbox"/> Physical

Has the event been related to Gender Based Violence (GBV), including Sexual Exploitation and Abuse (SEV)?	<input type="checkbox"/> YES <input type="checkbox"/> NO If the answer is "YES" please provide information where/to whom the incident was reported; what type of incident has been reported; and whether the person who experienced the alleged incident was referred to appropriate services:
If the event is not related to GBV and/or SEV, please continue with providing information about the event	
Location	
Date	
Time	
Persons involved	
Please specify if anyone from the World Bank staff has been involved in the event?	<input type="checkbox"/> YES <input type="checkbox"/> NO If the answer is "YES" please provide information on the name of involved World Bank staff:
Please specify if the event has been related to the Project	<input type="checkbox"/> YES <input type="checkbox"/> NO If the answer is "YES" please explain the relation with the Project:
Work activity involved	
Event description (in as much details as possible) Please make sure to include the following information in the description of the event: <ul style="list-style-type: none"> • What was the incident? What happened? To what or to whom? • Where and when did the incident occur? • What is the information source? How did you find out about the incident? • Are the basic facts of the incident clear and uncontested, or are there conflicting versions? • What were the conditions or circumstances under which the incident occurred? • Is the incident still ongoing or is it contained? • Is loss of life or severe harm involved? • How serious was the incident? 	
Post-event activities taken before reporting (describe in as much details as possible). Please make sure to include in description the following information: <ul style="list-style-type: none"> • How the event is being addressed? • What were the responses and from whom? 	

<p>What are the next steps? Please make sure to include in description the following information:</p> <ul style="list-style-type: none"> • What, if any, additional follow up action is required, and what are the associated timelines? 			
WHEN THERE IS AN INJURY			
<p>Information on injured person</p>		<p>Name: _____ Date of birth: _____ Gender: _____ Job title: _____ Name of the supervisor: _____</p>	
<p>Injury description (in as much details as possible)</p>			
<p>Name of witness(es) – if any</p>			
<p>Observation from the witness(es)</p>			
Reporting person	Person involved	Supervisor	Witness(es)

ANNEX 10 – CHANCE FINDS PROCEDURE

Procedure to be followed in case cultural heritage or archaeological remains are discovered during construction.

Procedure Steps

Step	Action	Responsibility	Timing
1	Immediately stop all work at the discovery site and secure the area to prevent damage or removal.	Contractor Site Supervisor	Upon discovery
2	Notify the PMT Environmental & Social (E&S) Specialist and the Montenegro Directorate for Cultural Heritage Protection .	Contractor	Within 1 hour of discovery
3	Record details (location, description, photos) of the find without moving or altering the materials.	Contractor	Immediately
4	PMT notifies the relevant cultural authority formally in writing.	PMT E&S Specialist	Within 24 hours
5	Suspend works in the affected area until written clearance or further instruction from the cultural authority.	Contractor	Until clearance
6	Follow any special protection measures or investigations as directed by the cultural authority.	Contractor & PMT	As directed
7	Resume work only after written approval from the cultural authority.	Contractor	After clearance

Cultural Heritage Management Plan (CHMP) – CRFADS

CHMP Measures Matrix

Phase	Mitigation Measure	When Should the Measure Be Implemented	Implementation Responsibility
Activity Preparation	Conduct cultural heritage screening as part of site selection and design.	Before finalizing design.	PMT, Environmental & Social Consultant
	Include the Chance Finds Procedure in all bidding documents and contracts.	Before procurement.	PMT Procurement & E&S Specialist
Activity Design	Engage with the Directorate for Cultural Heritage Protection for any site-specific concerns.	During detailed design.	PMT and Design Consultant
	Design to avoid known cultural heritage sites or areas of high archaeological potential.	During design phase.	Design Consultant
Construction/All Phases	Train all workers in the Chance Finds Procedure and cultural heritage awareness.	Prior to construction and refreshers quarterly.	Contractor (with PMT oversight)
	Ensure protective fencing and signage around known heritage sites (if any).	Prior to and during works.	Contractor
	Implement the Chance Finds Procedure immediately in case of discovery.	During works.	Contractor
	Maintain communication logs of cultural heritage-related incidents and reports.	Throughout project implementation.	Contractor and PMT E&S Specialist
Monitoring	Include cultural heritage compliance checks in regular E&S supervision and reporting.	Monthly or as needed.	PMT E&S Specialist, Supervision Consultant
Post-Construction	Ensure any discovered finds are transferred to the competent cultural authority.	Upon project completion or earlier if required.	Contractor and PMT

Key Notes

- The **Chance Finds Procedure** must be attached to all construction contracts.
- Contractors are **required to provide training** to all site personnel before commencing work.
- PMT and Supervision Engineers must ensure strict compliance and maintain reporting logs for any cultural heritage incidents.
- **No works** shall resume in the find area until the cultural authority provides written consent.