



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 18-Apr-2018 | Report No: PIDISDSA23687



BASIC INFORMATION

A. Basic Project Data

Country Montenegro	Project ID P165509	Project Name Montenegro Second Energy Efficiency Project	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 23-Apr-2018	Estimated Board Date 04-Jun-2018	Practice Area (Lead) Energy & Extractives
Financing Instrument Investment Project Financing	Borrower(s) Montenegro	Implementing Agency Ministry of Health, Ministry of Economy	

Proposed Development Objective(s)

The development objective is to improve energy efficiency in health sector buildings, and to develop and demonstrate a revolving financing model.

Components

- Component 1 – EE investments in public sector buildings
- Component 2 – Technical assistance
- Component 3 – Project implementation support

Financing (in USD Million)

SUMMARY

Total Project Cost	9.37
Total Financing	9.37
Financing Gap	0.00

DETAILS

Total World Bank Group Financing	7.40
World Bank Lending	7.40



Total Government Contribution	1.97
Environmental Assessment Category	
B - Partial Assessment	
Decision	
The review did authorize the preparation to continue	

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Montenegro is a small¹ middle income country with a current gross domestic product (GDP) per capita of US\$7,029 in 2016.**² The country primarily relies on tourism and foreign direct investments (FDIs), and has the highest per capita income³ among the Western Balkan countries. Montenegro has an open economy. It experienced a double-dip recession due to the 2008 global financial crisis and the 2012 Eurozone debt crisis, but its economy expanded by 3.5 percent in 2013, slowed down to 1.8 percent in 2014, and recovered to 3.4 percent in 2015. Though Montenegro remains highly susceptible to external shocks owing to its high external current account deficit and external debt ratio (13 percent and 152 percent of GDP in 2015, respectively), the economy grew by 2.9 and 4.2 percent in 2016 and 2017 respectively, and is expected to grow at an average of 2.5 percent per year by 2020.⁴

2. Its development objective is to achieve smart, sustainable and inclusive growth, and the Program for Accession to the European Union (EU) 2014-18 influences policy dialogue to focus on measures necessary to align with the *acquis communautaire* for European integration. The country was granted the status of an EU candidate country in November 2010, negotiations for EU membership were initiated in June 2012, and aims to join the EU by 2020. The Bank's support to Montenegro is aligned with its EU accession and integration process with a focus on areas that contribute to reducing poverty and improving shared prosperity.

Sectoral and Institutional Context

3. **The Montenegrin economy is significantly less energy efficient and more carbon intensive than**

¹ Montenegro has a population of 624,000.

² World Bank National Accounts Data - Global Economic Prospects, January 2018

³ Gross National Income (GNI) per capita of US\$7,120, measured using the Atlas methodology.

⁴ World Bank National Accounts Data - Global Economic Prospects, January 2018



EU28 countries. Despite a 30 percent decrease since 2005, the overall energy intensity of the Montenegrin economy (0.104 toe/thousand 2011 US\$) remains about 20 percent higher than the EU28 average (0.09 toe/thousand 2011 US\$). Mirroring the high energy intensity and relatively high reliance on fossil fuels⁵ to meet energy demand, Montenegro emits more than 2.5 times more CO₂ per US\$ of GDP compared to the EU average.⁶ Buildings are the largest energy consumer in the country (accounting for more than 40 percent⁷ of final energy consumption) and a major contributing factor to the high energy intensity. Non-residential buildings, including commercial and public-sector buildings, account for about 40 percent of the final energy consumed in buildings (which is about 8,500 tera joules/year).⁸ At 175 kWh/square meter,⁹ specific energy consumption in the non-residential buildings in Montenegro is approaching some EU countries in colder climates, such as Denmark, whose non-residential consumption is about 200 kWh/square meter. As penetration of appliances and comfort levels rise to EU levels, energy consumption in the buildings sector is bound to further increase. Key reasons for the high energy use in the buildings sector include the large share of dated buildings with poor insulation, old heating and lighting systems, years of under-maintenance, and insufficient incentives to save energy.

4. The buildings sector has high energy efficiency (EE) potential. A regional study of the EE potential in buildings in the Western Balkans¹⁰ confirmed the high EE potential in the Montenegrin buildings sector, and estimated that EE improvements in the sector can reduce energy consumption by at least 30-45 percent, generate annual energy savings of 706 GWh, and reduce energy expenditures by €63 million¹¹. The World Bank-financed Montenegro Energy Efficiency Project (MEEP, P107992) and its Additional Financing (P145399) substantiated the high EE potential and important co-benefits that can be realized in the public buildings sector. Specifically, in the 25 retrofitted public buildings under MEEP (2009-2018), energy consumption was cost-effectively reduced by an average of 45 percent. This is expected to generate 150 GWh of energy savings and 60,750 metric tons of CO₂ savings over the lifetime of the investments, and help to reduce public energy expenditures by up to €600,000 per year, or about €8-10 million over the 15-20-year lifetime of the investments.¹² The investments in the health sector buildings supported under the project have an average payback period around 10 years. In addition, the project helped to build the local market's EE capacity, and demonstrate the important co-benefits of EE investments, including improved comfort levels in the retrofitted public buildings (i.e. higher temperatures, better lighting, more accommodating aesthetics, and more appropriate humidity). As a result, end-user (e.g. patients and staff) satisfaction levels in retrofitted facilities

⁵ More than half of Montenegro's power supply is provided by lignite-fired power plants, most of which were commissioned 26-30 years ago; electricity is also used to cover 28 percent of Montenegro's heat demand, second after biomass (69 percent) and before coal and light fuel oil (1-2 percent).

⁶ 2014 data. World Bank, World Development Indicators, accessed on January 16, 2018.

⁷ The definition of final energy consumption is aligned with the EU Directive 2006/32/EC on energy end-use efficiency and energy services, excluding consumption by the aluminum plant in Podgorica (KAP). On this basis, the second largest energy consuming sector is transport (29 percent of final energy consumption), followed by industries (19 percent of final energy consumption).

⁸ Eurostat, 2016; Complex Energy Balance of Montenegro. Value combines all energy besides wood.

⁹ World Bank, June 2014, Western Balkans: Scaling Up Energy Efficiency in Buildings.

¹⁰ Energy Community Secretariat, EE in Building in the Contracting Parties of the Energy Community, 2012.

¹¹ This figure includes all buildings in Montenegro

¹² The cumulative cost savings total has been discounted using the average inflation rate of 2 percent.



improved by around 40 percentage points after the EE investments (as measured by end-user satisfaction surveys).

5. **The Government recognizes the benefits of EE investments in the buildings sector and has initiated a range of policy, regulatory and financing measures to improve EE.** EE is a cornerstone of Montenegro's energy policy as outlined in the Energy Development Policy by 2030, and the Energy Development Strategy by 2030. In line with its Energy Community Treaty obligations, the Government adopted a target to reduce final energy consumption by 9 percent by 2018 (with 2010 as baseline). The plans to meet this goal are outlined in the National EE Action Plans (NEEAPs) 2012-2018. As per the latest available NEEAP progress report, final energy consumption had been reduced by 4 percent in 2015. The current NEEAP (2016-2018) anticipates that 83 percent of the total energy savings will come from the buildings sector. To meet this goal, the Government initiated a range of important measures, including: (i) strengthening the EE legal and regulatory framework by transposing relevant EU directives and adopting related secondary legislation. This included the adoption of the Law on EE (2014) and related rulebooks on minimal EE requirements in buildings, certification of energy performance of buildings, and performance of energy audits in buildings and heating and air-conditioning systems; (ii) providing capacity building to private energy service providers and competent local inspection authorities on EE, *inter alia* involving training and certification of local companies to perform energy audits; and (iii) implementing EE projects in the public and residential buildings sector. Implementation of the NEEAPs is led by the Ministry of Economy (MOE) and financed through a combination of state budget (especially for policy, legal and regulatory measures) and support provided by development partners.

6. **EE is also a cornerstone of Montenegro's Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC).** Even though the national Greenhouse Gas (GHG) emissions represent only 0.009 percent of global emissions, Montenegro, as a signatory to the Paris Agreement demonstrated its commitment to contribute to the global effort to address climate change. As part of this process - and in line with its national circumstances - Montenegro submitted its NDC to the UNFCCC committing to reduce up to 30 percent of GHG emissions by 2030 compared to the 1990 base year. Most of the reductions are anticipated to be achieved through a general increase in EE, improvement in industrial technologies, as well as an increase in the share of renewables and modernization of the power sector.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

7. The development objective is to improve energy efficiency in public sector buildings, and to develop and demonstrate a revolving financing model.

Key Results

8. The PDO-level results indicators of the project are:



- (a) Projected lifetime energy or fuel savings calculated in Mega Joules (MJ), disaggregated by: (i) Projected lifetime fuel savings (MJ); and (ii) Projected lifetime electricity generation savings (MJ);
- (b) Development and demonstration of a revolving financing model.

“Development” of the revolving financing model will be assessed on defining the detailed operational and implementation procedures for the energy savings capture model (which is a form of a revolving financing model); and “demonstration” will be assessed by: (i) implementing the energy savings capture model for all buildings renovated under MEEP2; and (ii) defining the implementation arrangements for the continuation of a revolving financing model beyond the project’s closure.

D. Project Description

9. The project will be supported by a €6 million IBRD loan and consists of three components: Component 1 - EE investments in health sector buildings; Component 2 - technical assistance; and Component 3 - project implementation support.

10. **Component 1 – EE investments in health sector buildings (estimated cost of €6.77 million, including €5.27 million IBRD and €1.5 million captured energy cost savings).** This component will support: (i) EE investments in selected state-owned public health sector facilities, for which achieved energy cost savings will be captured and reinvested using an energy savings capture model; (ii) related technical services, including energy audits, designs, technical revision, works supervision, technical and social monitoring before and after the EE building renovations, and issuance of energy performance certificates for all retrofitted facilities; and (iii) installation of energy consumption monitoring equipment in health sector buildings.

11. These investments will reduce energy consumption and associated CO₂ emissions, help lower recurrent energy expenditures, and improve comfort levels in the retrofitted health sector facilities. The use of the energy savings capture model for EE investments will introduce an EE financing model that allows funds to revolve and demonstrate a scalable financing approach for EE investments in the public buildings sector.

12. **Energy savings capture model.** An energy savings capture model will be developed and demonstrated in all buildings to be retrofitted under the project. The basic concept of the model is that planned EE investments are estimated to reduce energy consumption and related costs by 30-60 percent. As part of the energy savings capture model, these energy cost savings, will be monitored, verified, captured and reinvested to support EE improvements in additional public-sector buildings.

13. A typical investment cycle under the energy savings capture model starts with the implementation of EE investments in facilities selected from the Government’s priority list. The implementation will be managed by the MEEP2 Project Implementation Unit (PIU), and will be executed



in accordance with World Bank guidelines. The first set of investments is expected to be completed in 2019. Since the investments are expected to result in energy savings, a monitoring and verification (M&V) protocol will then be applied to verify the energy savings, and estimate the energy cost savings.¹³ The protocol will be applied one time per facility after completion of the EE civil works, and the energy cost savings will be deemed the same for the remainder of the energy savings capture period.¹⁴ The verified energy cost savings will then be consolidated in an annual M&V report, and submitted to MoE as part of the PIU's annual reporting. The M&V protocol will likely be applied for the first time during the 2019-2020 winter. During the third stage, MoE will request a budget allocation equivalent to the achieved energy cost savings, and the first such request will be in 2020 for a 2021 budget allocation. There are a few options to implement the fourth stage. The Government agreed to evaluate the following options: (a) allocation of the funds to a capital expenditure budget line earmarked for EE investments; and (b) using Government co-financing arrangements similar to those used under similar World Bank projects.¹⁵ The agreement is captured in the Loan Agreement as a dated covenant. The investment cycle would then repeat with the PIU using allocated funds to reinvest in EE improvements in additional public-sector facilities in the form of joint co-financing with IBRD loan funds. The co-financing is expected to follow Annual Work Program (AWP) procedures in which the PIU will prepare and submit an AWP to the Bank. The AWP will outline planned investments for the following year, and the expected Government co-financing based on the funds available from the captured energy cost savings. Cumulative energy cost savings captured and reinvested until MEEP2 closing date of December 29, 2023 are estimated to amount to €1.5 million.¹⁶

14. To ensure sustainability of the revolving financing model developed and demonstrated under MEEP2, energy cost savings generated through MEEP2 investments will continue to be captured and reinvested after project closing for a total duration of 10-20 years subject to availability of qualifying buildings that need EE investments, and demonstrated success of the model. In total, the energy savings capture model is estimated to achieve a leverage of MEEP2 resources between 80-170 percent (depending on the capture period). The implementation arrangements for the continuation of the energy savings capture model beyond MEEP2 will be agreed during implementation of the project (around mid-term). To inform this decision-making process, targeted technical assistance will be provided under Component 2 (see below) as well as through implementation support by the World Bank.

15. **Component 2 – Technical assistance (estimated cost of IBRD €0.33 million).** This component will finance activities to enhance local EE capacity related to: (i) the development and operationalization of revolving EE financing mechanisms beyond MEEP2; (ii) the preparation, implementation and maintenance of EE investments; and (iii) implementation of gender-informed communication and

¹³ This will be done based on a detailed M&V protocol to be described in the Operational Manual, and piloted during the 2018-19 winter.

¹⁴ The capturing period will range from 5-20 years, and the Government will decide based on the success of the model during the first three years of capture, need for additional investments

¹⁵ The Land Administration and Management Project (P106906) had co-financing arrangements.

¹⁶ The estimate considers that capturing of verified energy cost savings only occurs about 18 months after implementation of EE investments due to the timing of construction season (summer), M&V (heating season) and budget cycle (July-December).



awareness raising campaigns. The scope of targeted capacity building activities is summarized below:

- *Development of a sustainable EE investment framework beyond MEEP2:* Technical assistance will be provided to support the development of an EE investment and implementation framework that would allow to sustain and scale-up EE improvements beyond the project and promote the transition from a project-by-project approach to a harmonized framework for EE. The energy savings capture model described above will work in the context of the World Bank project, but there is a need to design a framework which works outside the World Bank project. Such a framework would also facilitate the pooling of various resources for EE (including from the Government, development partners and the private sector) and harmonization of implementation procedures. The scope of the technical assistance supported under MEEP2 is expected to focus on: (i) developing institutional and implementation arrangements for the continuation of the energy savings capture model beyond MEEP2; (ii) assessing design and institutional options on how to scale-up and replicate a revolving financing scheme for EE investments covering other public buildings (e.g. education or municipal buildings), including preparation of detailed business plans, operational modalities and financial projections; and (iii) preparing legal and regulatory changes to facilitate scaling-up and replication of revolving financing models involving, for instance, revisions of budgeting procedures/ regulations to allow for energy cost savings retentions, signing of multi-year contracts, and/or adjustments of public procurement procedures to allow use of lifecycle costing and performance-based contracting, etc.
- *Capacity building activities:* EE capacity building activities would be provided on an as-needed basis to key project stakeholders, including local energy service providers (e.g. energy audit, design, construction and building certification companies), energy managers of retrofitted facilities, Government representatives, and other key stakeholders. Targeted support is expected to include training and technical assistance related to the issuance of building certificates, monitoring and verification of achieved energy and cost savings, improved operational and maintenance practices in retrofitted facilities, and/or other EE capacity building aspects.
- *Communication and awareness activities:* The project will support communication and public outreach activities to promote and disseminate results achieved by the project, and help to enhance EE awareness. The activities would be conducted in a gender-sensitive manner.

16. **Component 3 – Project implementation support (estimated cost of €0.50 million, including €0.40 million IBRD and €0.10 million in-kind Government contribution).** The component will support the effective implementation and management of the project and its reflows from captured energy cost savings, including: (i) PIU staff expected to consist of a PIU manager and a technical EE expert; (ii) lump-sum payments to the Government’s Technical Service Unit (TSU) responsible for procurement and financial management functions; (iii) project-related operating costs; and (iv) financial audits.



E. Implementation

Institutional and Implementation Arrangements

17. **Overall implementation arrangements.** The Directorate for EE under the MoE will serve as the lead Government project implementing entity. It will chair an inter-ministerial Project Steering Committee (PSC), which will provide oversight and strategic guidance during project implementation. The PIU under the Directorate for EE will be responsible for day-to-day operations of the project, while the TSU will assume responsibility for all fiduciary functions. The specific roles of the key project stakeholders are summarized below:

18. **PSC.** The PSC will provide oversight and strategic guidance throughout project implementation. The PSC, chaired by the MoE, will also facilitate inter-ministerial coordination, and consist of representatives from the MoH and the MoF. Representatives from other ministries may be added to the PSC at the discretion of the MoE.

19. **Directorate for EE.** The Directorate for EE will: (i) provide day-to-day guidance to the PIU; (ii) coordinate with Ministry of Health for the selection of health care facilities, and related implementation decisions; (iii) submit annual budget requests equivalent to the verified energy cost savings achieved; and (iv) lead the development of the sustainable EE investment framework beyond MEEP2. The directorate has sufficient capacity to support the project given its experience as the implementing entity for MEEP and the KfW-financed EE project.

20. **MEEP2 PIU.** The PIU will be responsible for: (i) preparation, implementation and supervision of EE investments in hospitals and health centers; (ii) management of capacity building activities supported by the project; (iii) monitoring, evaluating, and reporting on project results and outcomes, including the captured energy cost savings; and (iv) day-to-day-operations related to the development and implementation of the energy savings capture model, including development of detailed operational procedures, preparation of annual M&V reports as well as implementation of the investments co-financed through captured energy cost savings. The PIU will be composed of a project coordinator and a technical EE expert. The MEEP2 PIU has sufficient capacity and experience to prepare and implement the project given the experience of the MEEP2 project coordinator in the same function under MEEP.

21. **MoH.** As the responsible line Ministry for facilities to be retrofitted under MEEP2, MoH will be closely involved in the preparation and implementation of Component 1 of the project. The cooperation between the Directorate for EE and the MoH is well established due to the previous experience under MEEP, and will be reflected in the Project Operational Manual. MoH, together with MoE, will also conclude a Memorandum of Understanding (MoU) with each health care facility to be retrofitted under the project. The MOU will outline the main terms and conditions related to the EE investment.

22. **TSU.** Fiduciary responsibilities, including procurement and financial management and disbursement, will be carried out by the existing central TSU for IBRD funds and the captured energy cost savings. Expenses incurred by the TSU will be financed out of the loan on a pro rata basis with other World Bank-financed projects in Montenegro. The TSU will be responsible for the preparation of quarterly unaudited financial reports and annual audited financial statements; and the procurement related to all works, goods, and consulting and non-consulting services. The TSU has sufficient capacity



given its fiduciary role for all World Bank-supported projects.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will undertake civil works related to EE measures in 15 to 20 selected public buildings throughout Montenegro. The location of these buildings is not fully known at this stage and is unlikely to be finalized by project appraisal. However, it is expected that no expansion of the footprint will take place. Some of the buildings may have the status of protected cultural heritage, but this is expected to be only in very few cases. The project will not fund activities related to construction of new buildings.

G. Environmental and Social Safeguards Specialists on the Team

Satoshi Ishihara, Social Safeguards Specialist
Nikola Ille, Environmental Safeguards Specialist
Helene Pfeil, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Civil works will be undertaken in 15 to 20 public buildings located throughout Montenegro. It is not planned to that the existing footprint of related buildings will be expanded. The complexity of civil works will range from internal plumbing and heating system upgrade/replacement, to major works on facades, roofs, replacement of windows and doors, retrofitting of central heating systems and replacement of boiler houses and fuel storage tanks. Key risks, although not likely to be encountered on more than a few sites, include hazardous material/waste, such as asbestos insulation or crude oil waste in fuel tanks. An ESMF including generic EMP and Environmental Checklist was prepared for the project before appraisal. Draft ESMF is disclosed in-country in late February 2018. Site-specific EMPs or Environmental Checklist will be prepared during project implementation for each specific building - which will become part of the bidding documents



		and resulting civil works contracts. No category A-type subprojects nor category A-type activities will be implemented within the project.
Natural Habitats OP/BP 4.04	No	No works will be undertaken in nature protected areas. All buildings are located in urban centers.
Forests OP/BP 4.36	No	No works are to be undertaken in forest areas.
Pest Management OP 4.09	No	N/A
Physical Cultural Resources OP/BP 4.11	Yes	It is expected, although currently not certain, that few buildings may be under culture heritage protection regime. For these structures an opinion will be obtained from the relevant national institutions, and relevant measures incorporated into the site-specific EMP. In case of earthworks and civil works related to outside fuel storage tanks, a chance find procedure will be included in EMP. The principles for management of physical cultural resources are incorporated into the ESMF.
Indigenous Peoples OP/BP 4.10	No	N/A
Involuntary Resettlement OP/BP 4.12	No	N/A
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Implementation of the project-funded activities is not expected to have any significant negative environmental impact. The issues related to the Project-funded activities include noise, dust, vibrations, and management of construction waste during civil engineering activities - which could be successfully managed and mitigated by application of good engineering practice. Specific issues that will also be taken care of relate to management of the sites (as health centers need to continue operating during the works execution), and general health and safety of population that uses these structures. In case that hazardous materials - waste - are discovered during the rehabilitation works, the specific waste management procedures, as included in ESMF, will be applied. These procedures will be further specified in site-specific EMPs that will be prepared for each facility separately during the civil works assessment and site-specific design. Hazardous waste, if discovered during the works execution, will be handled and disposed of by licensed contractors. The Project is not expected to generate large-scale, significant and/or irreversible environmental impacts. The works are not expected to be undertaken outside the already existing structures and objects, and will not have any impact on the existing footprint.



2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: There will be no long-term negative environmental impacts if project activities are executed as designed. The minor temporary negative impacts (noise, vibrations, dust) are of limited duration and can be successfully managed by implementation of specific EMP-prescribed measures, which will be based on ESMF and tailored for each specific site.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The alternative is to continue to use the existing health centers in their present state, which will lead to or create increased negative health, safety, energy efficiency and environmental impacts/risks. This alternative is not preferable nor acceptable to the Borrower.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

An Environmental and Social Management Framework document has been prepared by the Borrower during project preparation. It contains, among others, a Sample Environmental Checklist, Generic EMP, Grievance Redress Mechanism, legal and institutional implementing arrangements. ESMF was prepared in February 2018, with public consultations process organized from February 22 onwards. The Final ESMF was received by the Bank and approved on March 6, 2018. ESMF stipulates that site-specific EMPs be prepared for each facility/location separately during the civil works assessment and design stage for the existing structure, when the locations of the facilities are confirmed. The site-specific EMPs will become part of the bidding documents and resulting contracts.

Monitoring and reporting on contractor's compliance with site-specific EMPs will be undertaken on a monthly basis by the supervising engineer/environmental specialist and reports sent to the Project Implementation Team. Reporting form PIT to the Bank will be undertaken at least twice per calendar year, and more frequently in case of any systematic or specific problems. Review of the environmental compliance reports and reality check on few sites determined on a sample basis will be undertaken by the Bank's safeguards specialist at least once per year, during the regular implementation support missions.

The Borrower's team has, as a part of the ongoing Energy Efficiency project, developed solid understanding and capacity to deal with the environmentally-related issues, which was documented during Bank's regular missions on the ongoing Energy Efficiency Project. During the Project implementation the PIT will contain a part-time environmental expert, whose duties will include among others: (i) completion of Environmental Checklists and preparation of site-specific EMPs; (ii) incorporation of Final EMPs, after the Bank's approval, into respective tender documents; (iii) monitoring and reporting on compliance with site-specific EMPs; (iv) reporting on compliance with EMPs and ESMF to the Bank.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders are: Ministry of Economy; Ministry of Health; Ministry of Sustainable Development and Tourism, Health Centers through Montenegro, users of health centers.

Potentially affected people are medical staff and patients of health centers where the civil works will be undertaken. It may also include the neighbors living in houses adjoining the facilities that will be rehabilitated.

Draft of ESMF was prepared and disclosed at Ministry of Economy web site, and announced in the newspaper. Hard copy of draft ESMF was available at Ministry of Economy. The public disclosure meeting was held 8 days after announcement in the newspaper. ESMF require preparation of site-specific EMPs for each specific facility/location, once the list of facilities is finalized and adopted. These EMPs will be disclosed at the respective health centers and will include consultation process with medical staff of the facilities, technical staff and interested general public. Public



disclosure of ESMF in country was completed on March 2, 2018, with no negative comments. GRM is part of ESMF and includes channeling comments through either contractors or management of respective health centers (on site, during works execution), or through Ministry of Health and/or PIT (during design, tendering and construction stages). According to national legislation, there are no additional requirements, except the ones included in ESMF, for preparation and disclosure of EMPs.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 06-Mar-2018	Date of submission for disclosure 02-Apr-2018	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Montenegro
02-Mar-2018

Comments

Public consultation of the ESMF started on February 22, 2018 when an invitation to participate was placed in the daily paper. A public meeting to discuss the ESMF was held on March 2, 2018 and 7 people participated. The meeting began at 11:00am and ended at 12:30pm without significant environment-related questions.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes



The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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