

IPAM COMPLAINT

Alleged Non-Compliance with EBRD Performance Requirements PR5 and PR10

EBRD Project 55511

Bar–Boljare Motorway (Mateševo–Andrijevisa Section)

Client: Monteput d.o.o. Montenegro

Complainant: [REDACTED]
Authorized Representative of [REDACTED]

Affected Vulnerable Persons:

[REDACTED]

Address: [REDACTED]

Telephone: [REDACTED]

E-mail: [REDACTED]

Date of Submission: 14 May 2026

Summary of Complaint: This complaint concerns the systematic and ongoing failure of Monteput d.o.o. to comply with EBRD Performance Requirements PR5 and PR10 in the expropriation process affecting an extremely vulnerable elderly household ([REDACTED] [REDACTED] who suffers from **Alzheimer's disease**, has a permanent urinary catheter, and is fully dependent on third-party care).

Despite formal recognition of vulnerability, Monteput has refused to provide a Vulnerability Allowance, livelihood restoration measures, and fair compensation for the permanent devaluation of the remaining land and severe restrictions on its use caused by the 40-meter protective corridor (30%, €69,948 according to the certified court expert's assessment). The Client has repeatedly transferred responsibility to other state institutions, engaged in bad-faith negotiations, applied tactics of administrative delay, and after **118** calendar days (79 working days) of grievance proceedings has failed to present any meaningful or constructive proposal.

Such conduct constitutes a clear violation of PR5 (involuntary resettlement, protection of vulnerable groups, livelihood restoration, the "Fill the Gap" principle, and the preventive approach) and PR10 (stakeholder engagement and an effective grievance mechanism).

1. EXECUTIVE SUMMARY

This complaint is submitted against Monteput d.o.o. due to systematic and continuous violations of **EBRD Performance Requirements PR5 and PR10** in connection with **Project 55511 (Bar–Boljare Motorway, Mateševo–Andrijevića Section)**.

Despite the use of the internal grievance mechanism for **118 calendar days (79 working days)**, Monteput failed to provide an adequate resolution and instead proceeded with delays, excessive formalism, and disregard for the submitted evidence. As a result, all internal remedies have been exhausted.

The complaint concerns an extremely vulnerable elderly household – [REDACTED] [REDACTED] (87 years old) and [REDACTED] [REDACTED] (90 years old, Alzheimer's disease, urinary catheter), both in a very serious medical condition. Despite formal recognition of vulnerability, during a four-month period (since 09 January 2026), Monteput systematically failed to implement key protective measures:

- no financial **Vulnerability Allowance** has been provided;
- no adequate **Livelihood Restoration** measures have been implemented;
- the documented assessment of permanent devaluation of the remaining land and restrictions on its use has not been recognized;
- informal income sources have not been properly taken into account;
- findings of the certified court expert and relevant **ESIA documentation** have not been applied;
- the Grievance mechanism has been characterized by prolonged procedural delay without a concrete compensation proposal.

Such conduct constitutes a clear and serious violation of **PR5** (protection of vulnerable groups, application of the “**Fill the Gap**” principle, livelihood restoration and preventive approach) and **PR10** (effective stakeholder engagement and functional grievance mechanism).

Given the exceptionally advanced age and serious medical condition of the affected persons, any further delay represents direct and potentially irreversible harm.

The complainant therefore respectfully requests that:

A **Problem-Solving process** be initiated in order to achieve a prompt and fair resolution; and, in accordance with IPAM's mandate, that the option of initiating or proceeding in parallel with a **Compliance Review** be retained should constructive progress not be achieved within a reasonable timeframe or should the client's cooperation prove insufficient to remedy the alleged non-compliance.

2. IDENTITY OF THE COMPLAINANT AND VULNERABILITY STATUS

The subject of this complaint is the extremely vulnerable elderly [REDACTED] household, consisting of the spouses:

[REDACTED] [REDACTED] (87 years old), who is semi-mobile, with bilateral knee prostheses, chronic cardiovascular and renal conditions, cataracts in both eyes, and is a long-term beneficiary of third-party care and assistance (as confirmed by a decision of the Social Welfare Center).

[REDACTED] [REDACTED] (90 years old) suffers from Alzheimer's dementia (F00.9 / G30.9), has serious cardiovascular, renal, and prostate conditions, and has been using a permanent urinary catheter for four years. According to the psychiatric medical report, he is not capable of independent living and requires constant supervision by another person.

The [REDACTED] household consists of pensioners and is fully dependent on third-party assistance. Agricultural land located in the [REDACTED] (Municipality of Andrijevica) represented their security in old age and an important supplementary source of income. Until 2020, the spouses regularly spent the growing season on the property (April–November), engaging in organic production (dried fruit, brandy, juices, jams, hay, and forest products). The estimated annual income from informal agricultural activities amounted to approximately €2,500. Following a deterioration in their health condition since 2021, the spouses relocated to Bar in order to live near their son, who provides them with necessary daily care and support. The relocation was necessitated by the need for continuous medical care and easier access to healthcare facilities.

Despite relocation, the land in the [REDACTED] continued to be used through informal arrangements with neighbors and relatives, which is a common practice in rural northern Montenegro. This is confirmed by a notarized statement of the owner and, if necessary, by statements from local residents of the village of [REDACTED].

Despite residing in Bar, the vulnerability of the household has not been reduced. On the contrary, EBRD PR5 recognizes that relocation to an urban area due to medical reasons often leads to increased living and care costs, thereby further justifying the application of enhanced support measures. The land was not merely an economic resource — it represented emotional and existential security for this household in advanced age. The loss of the ability to use and lease the land as a result of the motorway project has directly undermined their already fragile standard of living.

Although medical documentation was submitted as early as 09 January 2026, Monteput formally recognized the vulnerability status of the household only on 06 May 2026, after more than four months of delay. During this period, no support measures proportionate to their condition were implemented, thereby directly failing to meet the requirement under EBRD PR5 (paragraphs 30–35) for prioritized and expedited treatment of vulnerable groups.

Under EBRD Performance Requirement 5 (paragraphs 30–35), special attention must be given to vulnerable individuals and households who are disproportionately affected by the project or have a reduced capacity to cope with its impacts. In this case, vulnerability arises from:

- advanced age (87 and 90 years old);
- serious chronic illnesses;
- permanent dependency on third-party care;
- limited capacity to generate alternative income sources;
- increased sensitivity to prolonged administrative procedures and economic disruption.

In accordance with PR5, vulnerability does not imply mere formal recognition of status, but requires the implementation of additional, proportionate, and timely support measures.

Given these circumstances, the [REDACTED] household clearly meets the criteria of a vulnerable household under PR5 and requires enhanced protection within the framework of land acquisition and livelihood restoration processes.

3. DESCRIPTION OF THE PROJECT AND IMPACTS ON THE [REDACTED] HOUSEHOLD

3.1 Expropriation

By Decision of the Real Estate Administration [REDACTED] dated 21 January 2026, a total of 6,594 m² of land owned by the [REDACTED] family was expropriated, primarily consisting of

meadows and orchard land. The expropriated portion formed an integral part of the agricultural complex that ensured functional integrity of the property and provided supplementary income to the household. The expropriation is being carried out on the basis of the Conceptual Design.

3.2 Protective Corridor

Following the expropriation, approximately 80% of the remaining parcels were placed within the 40-meter motorway protective corridor and the zone of direct project impact. This area is subject to strict restrictions in accordance with the Law on Roads and relevant TEM standards, creating long-term legal and economic uncertainty regarding future land use and development.

3.3 Restrictions on Land Use

Due to the inclusion of a significant portion of the remaining land within the protective corridor, the previous agricultural and development use of the property has been either prohibited or substantially restricted. Key limitations include:

Prohibition of construction of all types of buildings (residential, auxiliary, agricultural, processing, and tourism-related) without prior approval of the motorway operator;

Restrictions on planting tall vegetation and conducting intensive agricultural production;

Reduced attractiveness for long-term lease and economic valorization of the land.

According to the project's ESIA study, the impact of land use restrictions has been assessed at -18.75 (Table 7-40), which represents a more severe impact than the direct expropriation itself. Following mitigation measures, the impact remains at -7, with permanent duration (Table 8-8). ESIA (page 263) defines the zone up to 100 meters from the road axis as a zone of direct impact, largely owned by the concessionaire or the state.

The ESIA documentation also identifies the presence of pollutants (NO_x, SO₂, PM), noise levels exceeding 60 dB during the day and 55 dB at night within the impact zone, and notes that the parcels are located in a valley with limited air circulation along the [REDACTED]

These factors affect the agricultural usability of the land and its long-term market value.

3.4 Project Stigma

The mere announcement of the motorway route and awareness of the protective corridor has resulted in effective stigmatization of the property. In 2026, the land was neither leased nor cultivated, as potential tenants withdrew due to uncertainty and planned construction activities.

3.5 Loss of Income

For decades, the land served as an important supplementary source of income through organic production (dried fruit, fruit brandy, juices, jams, hay, and forest products) and informal leasing arrangements (a "sharecropping" model whereby the owner provides the land and the tenant cultivates it, with income shared equally).

The estimated annual income from informal agricultural activities amounted to approximately €2,500. In 2026, the land was not leased or cultivated, resulting in a direct loss of income.

3.6 Devaluation of Remaining Land

According to the findings of certified court expert [REDACTED] dated 08 February 2026, the remaining land has suffered permanent devaluation of approximately 30% (estimated loss of approximately €69,948, based on the Real Estate Administration valuation of €12/m²).

The assessed devaluation is linked to the proximity of the motorway route, the inclusion of a significant portion of the parcels within the protective corridor, restrictions on land use, noise, pollution, and the effect of Project Stigma. The devaluation is already real and measurable.

4. ALLEGED NON-COMPLIANCE WITH PR5

This section links the impacts described in Section 3 with the relevant provisions of EBRD Performance Requirement 5 (PR5).

4.1 Protection of Vulnerable Groups (paragraphs 30–35)

PR5 (paras. 30–35) requires the identification of vulnerable households, the conduct of an individual needs assessment, and the implementation of additional, proportionate support measures, including expedited and prioritized procedures.

Despite the fact that medical documentation was submitted as early as 09 January 2026, Monteput formally recognized the vulnerability status of the household only on 06 May 2026.

PR5 (paras. 12 and 27), as well as the PR5 Guidance Note (2023), indicate that vulnerability may require additional compensation and measures aimed at maintaining living standards. The Project LARP (Chapter 9) also provides for additional measures for vulnerable households, including one-time assistance for livelihood restoration.

For more than four months, no additional protective measures proportionate to the level of vulnerability of the [REDACTED] spouses were implemented.

4.2 Livelihood Restoration (paragraphs 6, 20–22, 27)

PR5 (paras. 6 and 20–22) requires restoration of livelihoods to pre-project levels or better, particularly for vulnerable groups in cases of economic displacement. In this case:

- there has been a loss of supplementary income of approximately €2,500 per year;
- the land has not been leased during the current season;
- agricultural activities have effectively ceased.

Paragraph 27 provides for transitional support measures and compensation for loss of income.

The informal character of income does not exclude its protection. The PR5 Guidance Note (2023) recognizes that incomes in rural areas are often not formalized, but must nevertheless be taken into account in impact assessment.

To date, no structured livelihood restoration measures have been implemented.

4.3 Economic Displacement and Restrictions on Land Use (paragraphs 7, 8, 12, 32, 39)

Although no physical displacement has occurred, economic displacement has taken place because the remaining land has lost a significant part of its productive and development function. According to the ESIA study (Table 7-40), the impact of land use restrictions has been assessed at -18.75, representing a more severe impact than the direct expropriation itself. After mitigation measures, the impact remains at -7, with permanent duration (Table 8-8).

Paragraph 32 provides that, in cases of restrictions on land use without physical displacement, the client must provide compensation proportionate to the loss of functional use of the property.

Paragraph 28 requires compensation at full replacement cost.

These circumstances indicate permanent restrictions on land use and loss of the economic function of the property, constituting a form of economic displacement within the meaning of PR5.

To date, no compensation proportionate to these restrictions has been provided.

4.4 Fill the Gap Principle (PR5, paragraph 28)

PR5 provides that, where national legislation does not ensure adequate protection, the client must apply a higher standard of protection (the “Fill the Gap” principle) and ensure a higher level of compensation and support.

In this case, that principle has not been applied, despite the existence of all relevant conditions: extreme vulnerability, permanent devaluation, and loss of income.

4.5 Recognition of Informal Income

The PR5 Guidance Note (2023) explicitly requires recognition of informal income sources, particularly in rural areas. Montepuťs insistence on fiscal receipts and bank statements for traditional agricultural production in northern Montenegro represents a restrictive interpretation that is not aligned with the standard.

The absence of assessment and compensation for such income indicates potential non-compliance with PR5

5. ALLEGED NON-COMPLIANCE WITH PR10

5.1 Effectiveness of the Grievance Mechanism (PR10, paras. 26–28)

PR10 (paras. 26–28) requires the client to establish and maintain an effective, accessible, and timely grievance mechanism, particularly for vulnerable persons. In this case, the grievance mechanism did not demonstrate the required level of effectiveness.

From the submission of the initial complaint on 09 January 2026 until the conclusion of Step 4 (06 May 2026), 118 calendar days (79 working days) elapsed without the adoption of a concrete and substantive resolution.

5.2 Course of the Procedure and Exceeding of Deadlines

The procedure was characterized by prolonged use of maximum time limits. Considering the vulnerability of the affected persons, expedited and prioritized treatment would have been consistent with PR10. In particular:

- delay in sending a formal request to the Ministry of Urban Planning (30 days after the meeting of 23 March 2026);
- absence of any concrete compensation proposal after more than four months.

LARP Chapter 12.1.2 explicitly provides that “all grievances will be reviewed within 21 working days.” In the present case, the investigation phase lasted a total of 47 working days from the submission of the complaint, or 26 working days from the submission of the supplement, representing more than double the deadline set by the Project’s own procedural document.

Such deviation from procedural deadlines established in the LARP indicates non-compliance in the application of the internal grievance mechanism with project-level commitments. Particularly in the case of a documented vulnerable household, the application of maximum deadlines without an accelerated procedure renders the mechanism de facto inaccessible, transforming it from a protective instrument into an additional source of harm (“secondary harm”), contrary to the combined application of PR5 (paras. 30–35) and PR10 (paras. 26–28).

5.3 Delay in the Administrative Appeal Procedure and Administrative Silence

Following the first-instance expropriation decision issued by the Real Estate Administration (21 January 2026), the complainant duly submitted an appeal to the Ministry of Urban Planning,

Spatial Planning and State Property on 02 February 2026. The statutory deadline for deciding on the appeal is 45 days and expired on 19 March 2026.

At the meeting held on 23 March 2026 with Monteput and EBRD representatives, it was agreed that Monteput, as coordinator of the expropriation process, would undertake steps to unblock the second-instance administrative procedure. However, Monteput addressed the Ministry only on 21 April 2026, 30 days after the meeting.

As of the date of submission of this complaint (14 May 2026), the Ministry had not issued a decision on the appeal, despite the statutory deadline having been exceeded by 56 days. Despite repeated requests from the complainant, the administration remained entirely inactive.

Such conduct by state authorities, combined with the passivity of the EBRD client, illustrates systemic delay and transfer of responsibility, which is inconsistent with obligations under PR10 (paras. 26–28).

5.4 Meaningful Consultation

PR10 requires meaningful engagement with affected persons through timely information sharing and genuine consideration of their arguments and evidence.

In this case, this was not ensured, as:

- no documented analysis of the submitted medical documentation, court expert report, and ESIA extracts was provided;
- meetings with EBRD representatives were held without the participation of, or subsequent briefing to, the complainant;
- no minutes of the meeting held on 23 March 2026 were provided for signature and authorization.

5.5 Transfer of Responsibility to Other Institutions

Monteput repeatedly transferred responsibility for resolving the matter to other state authorities (Road Administration, Real Estate Administration). PR10 (paras. 26–28) clearly establishes that the EBRD client remains primarily responsible for ensuring compliance with the standards, irrespective of institutional divisions of authority.

5.6 Conclusion Regarding PR10 and Request for Corrective Measures

PR10 (paras. 26–28) requires that the client establish and implement an effective, timely, and accessible grievance mechanism, particularly for vulnerable persons. The EBRD Environmental and Social Policy (Section 2.3) confirms this obligation through the standard of an “effective, accessible and fair” mechanism.

Simultaneously, PR5 (paras. 30–35) requires expedited and prioritized treatment of vulnerable households. Together, these standards imply that the grievance mechanism must not only formally exist, but must also be operationally adapted to vulnerable groups through shortened timelines and priority handling.

In the present case, the grievance mechanism did not meet this standard:

- the procedure lasted 118 calendar days without a substantive resolution;
- deadlines were systematically extended to their maximum limits;
- no expedited treatment was applied despite documented vulnerability (Alzheimer’s disease, catheterization, semi-mobility);
- no concrete and implementable compensation proposal was provided;
- meetings with EBRD representatives were conducted without participation of the complainant, and minutes were not provided for authorization.

These circumstances document clear non-compliance of the grievance mechanism with PR10, particularly regarding proportionality and accessibility for vulnerable groups. The prolonged delay was not neutral — it rendered the mechanism de facto inaccessible, transforming it from a protective instrument into an additional source of harm (“secondary harm”) for an already highly vulnerable household.

Accordingly, the complainant requests that IPAM, within the framework of a Compliance Review, recommend the following corrective measures:

1. Establishment of a formalized “fast-track” procedure for vulnerable households within the grievance mechanism, with a maximum timeline of 10 working days per stage;
2. Revision of LARP Chapter 12.1.2 to clearly define shortened timelines and mandatory priority handling in cases involving vulnerable households;
3. Ensuring procedural transparency, including delivery of meeting minutes to affected persons within 5 working days, with the right to submit comments and authorize the final version;
4. Assessment of whether, in this case, the grievance mechanism provided an environment in which affected persons could use it without disproportionate procedural burden, and recommendations to remove identified barriers.

Furthermore, such a pattern of prolonged delay without substantive resolution creates a systemic deterrent effect for other vulnerable persons in using the grievance mechanism, contrary to the purpose of PR10 and EBRD’s sustainable development objectives.

6. EXHAUSTION OF INTERNAL REMEDIES

6.1 Chronology of Communication

Description	Date	Note
██████ – Initial Complaint	09.01.2026.	
Monteput – Request for Additional Documentation	09.02.2026	21 working days – maximum investigation period before requesting supplement
██████ – Submission of Requested Documentation	13.02.2026.	All requested supplements provided, although none were subsequently substantively reviewed
Monteput – Forwarding Complete Documentation to the Road Administration	06.03.2026.	15 working days after submission of supplement
Monteput – Meeting Scheduled	23.03.2026.	Following intervention by EBRD
██████ – Revised Request Submitted	25.03.2026.	Based on agreement reached at the meeting
Monteput – Response	09.04.2026.	40 working days after submission of supplement (13 02)
██████ – Objection	20.04.2026.	
Monteput – Final Response	06.05.2026	79 working days from the initial complaint
██████ – Further Objection	11.05.2026.	Closure of the internal grievance mechanism

6.2 Absence of a Substantive Resolution

Despite several months of communication, submission of extensive documentation (medical records, expert valuation report, ESIA extracts, notarized statements), and a meeting held with EBRD representatives, Monteput did not provide any concrete or substantive resolution.

After more than four months (118 calendar days / 79 working days) from the submission of the initial complaint, the only outcome of Step 4 was a proposal for future monitoring, site visits, and additional consultations — measures that have no practical value for an extremely vulnerable household.

The internal grievance mechanism has therefore been exhausted without achieving a substantive resolution. All relevant evidence was submitted, and Monteput had sufficient time and information to propose appropriate support measures (Vulnerability Allowance, livelihood restoration, and compensation for devaluation). Instead, the process concluded with the formal closure of Step 4 without any financial or effective support provided to the affected household.

7. ANALYSIS OF THE CLIENT'S RESPONSE (MONTEPUT)

7.1 Deferral of Impact Assessment until Completion of the Main Design

In its response, Monteput states that the precise impacts on the remaining parcels and any compensation for permanent devaluation can only be determined after completion of the Main Design, thereby postponing the entire process for an additional 12 to 14 months.

This approach indicates a deferral of impact assessment (administrative deferral) and is not consistent with EBRD standards. Under PR5 (paragraphs 7, 8, 12, 27 and 32), impact assessment, identification of economic displacement, and definition of compensation and livelihood restoration measures must be carried out proactively during the planning phase and preparation of the LARP, rather than reactively after harmful impacts have already materialized.

In the present case:

- The boundaries of expropriation have already been defined in the Conceptual Design, on the basis of which expropriation was executed (Decision of the Real Estate Administration dated 21 January 2026).
- A significant portion of the remaining parcels (approximately 80%) is already located within the motorway protective corridor, where strict construction and land-use limitations apply.
- According to the applicable Spatial and Urban Plan of the Municipality of Andrijevica (pp. 66–71), prior to the motorway project these parcels were explicitly eligible for construction of residential buildings for agricultural households, holiday homes, and processing facilities (building index up to 0.4, land coverage coefficient 0.2).
- Following the introduction of the protective corridor, construction has been effectively prevented, resulting in immediate and permanent devaluation of the remaining land (as confirmed by the certified court expert report dated 08 February 2026).

Waiting for the Main Design in the case of the [REDACTED] household (persons aged 87 and 90) is not a technical necessity, but a disproportionate burden that further aggravates their position. PR5 and the PR5 Guidance Note (2023) explicitly require expedited procedures and priority treatment for vulnerable groups due to their heightened sensitivity to prolonged stress and economic uncertainty.

Monteput's position that impacts can only be assessed after construction contradicts the preventive protection principle underlying EBRD standards. The identified impacts (restrictions

on land use, Project Stigma, loss of development value, and diminished agricultural function) are already real, measurable, and sufficiently defined to allow for timely response.

7.2 Relativization of ESIA Findings

In its response, Monteput attempts to minimize the significance of the Environmental and Social Impact Assessment (ESIA), treating it as a “theoretical framework” that does not impose concrete compensation obligations in this case. Such an approach is not consistent with the requirements of PR5.

The ESIA is not merely an informative document; it is a binding technical and social basis upon which EBRD approved financing for the project (PSD 55511). It constitutes a key contractual document between EBRD and Monteput. The Client cannot selectively rely on the ESIA for obtaining financing and subsequently relativize its findings when addressing obligations toward affected households. Such an approach raises serious concerns regarding legal certainty and consistent application of standards.

The ESIA clearly measures and defines impact zones:

According to Table 7-40 (p. 325), the impact of land use restrictions has been assessed at -18.75. This represents the most severe negative impact within the category “Land Acquisition and Resettlement,” even exceeding the impact score assigned to direct expropriation (-17.5).

After mitigation measures, the impact remains at -7 (Table 8-8, p. 366), still the highest negative impact with permanent duration (score 5).

ESIA Finding	Relevant PR5 Paragraph	Consequence for the [REDACTED] Household
Land use restrictions (-18.75)	Paras. 7, 8, 12, 32, 39	Economic displacement and loss of development value
Permanent duration (score 5)	Paras. 28 (Replacement Cost)	Permanent devaluation of remaining parcels
Noise and pollution	Paras. 10, 27	Impairment of agricultural usability and health concerns
High negative impact	Paras. 6, 20–22	Obligation of livelihood restoration

Monteput does not possess discretionary authority to disregard its own ESIA findings. Any departure from measures identified in the ESIA, without adequate compensation, indicates potential non-compliance with contractual obligations toward EBRD.

7.3 Fiscal evidence and informal incomes

Monteput, in its response, insisted on the submission of fiscal receipts, tax returns, and formal evidence of income from agricultural production.

This requirement is not in accordance with EBRD standards nor with the reality of rural households in Montenegro. PR5 (paragraph 20) and the PR5 Guidance Note (2023) explicitly recognise that affected persons, particularly in rural areas, often earn informal and unrecorded incomes that must be taken into account in impact assessment. National tax and fiscal laws do not apply to this scope, which we have demonstrated.

Requiring formal fiscal evidence from spouses aged 87 and 90 for traditional agricultural activity constitutes a restrictive interpretation of the standard that, in practice, serves to exclude recognition of actual economic losses. This prevents the application of livelihood restoration measures envisaged by PR5 (paragraphs 6, 20–22, 27).

Informal incomes are no less real simply because they are not recorded in the tax system. EBRD standards clearly recognise this, and Montepu's approach narrows PR5 obligations to the detriment of the vulnerable household.

7.4 Allegations of non-existence of restrictions

Montepu suggests that the remaining parcels are not permanently devalued and that there are no significant restrictions on use.

The facts indicate that the 40-metre corridor is a permanent burden and an area with a strictly restricted construction regime by virtue of signed international agreements, national laws, and already applied practice from the first section of this project.

The greater part of the parcels falls within the 40-metre protection zone. The law prohibits construction in this corridor without consent, which for motorways is never granted for private structures. All these circumstances directly affect the development potential and market value of the land.

7.5 "Monitoring" as a substitute for compensation

In its response, monitoring of the situation and additional consultations at a later stage of the project were proposed.

Monitoring represents a measure for managing impacts during project implementation, but it does not constitute compensation for already identified and quantified impacts.

PR5 provides for the application of proportionate measures at the moment when impacts are identified and when there is a risk for vulnerable persons, including additional financial measures in accordance with the impact assessment.

Delaying compensation until completion of the Main Project or the construction phase may prolong the economic burden on the affected household, particularly given its vulnerable status.

Consultations and monitoring may represent supplementary measures, but they cannot replace the application of measures envisaged by PR5 regarding compensation and livelihood restoration.

8. INTERNATIONAL PRACTICE OF THE EBRD AND THE ECtHR

We draw the attention of the Complaint Mechanism and IPAM to relevant international practice in similar cases, which demonstrates that prolonged postponement of compensatory measures for vulnerable households may raise serious questions regarding compliance with PR5 standards..

8.1. Practice of the EBRD and IPAM

The EBRD has, in several projects, accepted preliminary assessments and paid compensation on the basis of the Preliminary Design, and approved interim measures for vulnerable households:

- Corridor 10 (Serbia) — preliminary assessment and payments on the basis of Preliminary Design;
- A1 Motorway (Bulgaria) — advance payments for vulnerable households prior to finalisation of the Main Project;
- Ankara Metro (Turkey) — interim compensation for land whose market value had fallen due to perception and "Project Stigma", not physical damage.

Particularly significant are IPAM cases:

IPAM Case 2019/12 (Serbia — Vinča landfill): In this case IPAM identified prolonged administrative delay of compensation for vulnerable households with informal incomes and recommended urgent interim measures. A similar pattern of procedural delay and non-recognition of informal incomes is present in this case, indicating the need to consider proportionate and timely interim measures.

IPAM Case 2021/03 (Bulgaria — Maritsa East Mines): IPAM found that long-term delay of compensation and insufficiently applied livelihood restoration measures constitute a risk for vulnerable households. In the present case, prolonged waiting for the Main Project to be drawn up, without applying compensation measures, demonstrates a similar risk of prolonged economic burden for a vulnerable household.

8.2. Practice of the ECtHR

The ECtHR has, in several judgments, found that damage occurs at the moment when the owner is deprived of the free disposal of property, even without formal expropriation:

Sporrong and Lönnroth v. Sweden (1982): The State held a long-term ban on construction on private property without expropriation. The Court found a violation of Protocol 1 to the Convention and ordered compensation, since the "fair balance" between the public interest and the owner's rights had been disturbed.

Matos e Silva, Lda. v. Portugal (1996): Due to construction restrictions for infrastructure protection, owners lost the possibility of economic use of the land. The Court ruled that the State must pay compensation for that loss.

As in the cases of *Sporrong* and *Matos e Silva*, the "fair balance" between the public interest (motorway) and the owner's rights (██████████) has been disturbed by the fact that the State/Montenegro and the client/Monteput hold restrictions on property without timely compensation, despite formal expropriation and established devaluation of 30% (€69,948).

8.3. Application to the ██████████ case

Relevant international practice — EBRD projects, IPAM cases and ECtHR judgments — converges around the principle that compensation for restrictions on the use of property and devaluation cannot be delayed until the Main Project is drawn up when harmful impacts have already been identified, measurable and confirmed by expert opinion.

In light of the aforementioned international practice and PR5 standards, there are strong legal and factual grounds to consider the obligation of timely compensation for permanent devaluation of remaining parcels and restrictions on their use prior to the drawing up of the Main Project. The impacts on property are not hypothetical or future — they have already been identified in the ESIA documentation and confirmed by the findings of the authorised court expert.

Prolonged retention of restrictions on property without adequate and timely compensation calls into question the principle of fair balance between the public interest and the owner's rights, which is recognised both in EBRD standards and in relevant international practice. In such circumstances, delaying assessment and compensation until the Main Project is drawn up is not fully consistent with the preventive approach of PR5, which requires that negative impacts be identified and addressed without unnecessary delay, particularly when vulnerable households are affected.

9. RISK OF IRREPARABLE HARM

Given the age of the affected persons (87 and 90) and their serious medical condition, prolonged delay in resolving this matter has immediate and disproportionate consequences. The loss of

supplementary income, permanent devaluation of property and uncertainty regarding future use of the land further worsen the socio-economic position of a household that is already highly vulnerable.

PR5 requires priority and proportionate treatment of vulnerable groups, precisely because of their limited ability to adapt to lengthy administrative processes and economic disruption. In this case, further delay in applying compensation and protective measures increases the risk that the harm will become factually irreparable.

Urgent consideration of this matter is therefore essential to prevent further deterioration of the affected household's position.

9.1 Continuing and accumulating harm

The harm in this case is not one-off, but continuous.

The approximate annual loss of supplementary income amounts to €2,500, representing approximately €6.85 per day. Each day without resolution, the household suffers additional financial loss.

At the same time, the market uncertainty associated with the protection corridor and planned infrastructure continues to affect the market value of the remaining parcels, prolonging the effect of devaluation and restrictions on land use.

In the context of a vulnerable household of advanced age with serious medical conditions, prolonged procedural uncertainty has a disproportionate socio-economic impact, since the affected persons have no real possibility of compensating for lost income through alternative activities or waiting for multi-year administrative processes.

The harm must therefore be regarded not as static, but as accumulating, which justifies consideration of interim measures in accordance with IPAM's mandate.

10. REQUEST TO IPAM

In view of the foregoing, the complainant requests that IPAM:

1. Register this complaint, taking into account the status of the affected household as a vulnerable group of advanced age with serious medical conditions.
2. Initiate a Problem Solving procedure with a view to achieving a swift and fair solution; at the same time, in accordance with IPAM's mandate, retain the possibility of initiating or concurrently considering a Compliance Review procedure, should constructive progress not be achieved within a reasonable time or should it be established that the client's cooperation is insufficient to remedy the alleged non-compliances.
3. Consider a recommendation for interim measures (Interim Measures) at the earliest opportunity in accordance with IPAM procedures, proportionate to the established vulnerability and identified impacts, including:
 - Application of a financial vulnerability support measure (Vulnerability Allowance) in the amount of €3,750;
 - Application of livelihood restoration measures (Livelihood Restoration) in the estimated amount of €6,250, representing approximately 2.5 years of lost supplementary income;
 - Consideration of partial interim compensation for devaluation of remaining parcels;
 - Expedited and priority consideration of the case, in accordance with PR5 (paragraphs 30–35), which requires additional and proportionate measures for vulnerable households.

4. Within the Compliance Review, assess whether the identified failures in applying PR5 and PR10 are systemic in nature, with potential impact on other vulnerable households in Project 55511.
5. Within the Compliance Review procedure, the complainant requests that IPAM consider whether the identified failures in applying PR5 and PR10 require recommendations to the EBRD Board of Directors regarding further financial support for the project. In view of the documented vulnerability of the affected household and the accumulating nature of the harm, continued financing without remedying the identified irregularities would be inconsistent with obligations under the EBRD Environmental and Social Policy.

Given the age of the affected persons (87 and 90) and their medical condition, prolonged delay may lead to irreversible consequences. It is therefore requested that IPAM consider the urgency of the matter in accordance with its mandate.

The complainant remains open to a constructive solution through the Problem Solving process.

Respectfully,

■■■■■ ■■■■■ authorized representative of the ■■■■■ household

LIST OF EVIDENCE – CHRONOLOGICAL ORDER

(Each piece of evidence is labeled in the upper right corner with the corresponding number)

No#	Date	Title of Evidence	Remarks
1	09.01.2026	1-Initial Grievance Submission	First submission to Grievance mechanism
2	09.01.2026	2-Power of Attorney	Son authorized to represent parents
3	09.01.2026	3-ID card, Pension Check Slip	Proof of identity and pension status
4	09.01.2026	4-Certificate of Land Ownership	Official proof of ownership
5	09.01.2026	5-██████████ - Social Welfare Decision	Allowance for care and support by another person
6	09.01.2026	6-██████████ Proposal for a decision on social welfare	Proposal for care/assistance from a neuropsychiatrist and urologist
7	09.01.2026	7-Medical documentation ██████████ (87 years)	Complete medical records
8	09.01.2026	8-Medical documentation ██████████ (90 years)	Complete medical records
9	09.01.2026	9-Location of the remaining plots	Yellow = owned plots; red = expropriation zone; dashed red = 50m greatest impact zone; green = wind rose (80% of the remaining plots in the protected zone)
10	21.01.2026	10-Real Estate Administration Decision	First-instance administrative decision
11	30.01.2026.	11-Objection to the Real Estate Administration Ruling	Formal legal remedy filed.
12	12.02.2026	12-Supplement to the Appeal	Complement to Grievance mechanism
13	12.02.2026	13-Statement from the owner about income from the property	Certified by notary under full criminal and material liability
14	12.02.2026	14-ESIA assessment study on land use restrictions	Relevant excerpts from the ESIA study
15	12.02.2026	15-Property devaluation assessment, expert report by a court expert	Expert report on loss of market value
16	24.03.2026	16-Final request ██████████	Redefined following meeting with Monteput on 23.03.2026
17	09.04.2026	17-Monteput's Response MNE/ENG	Official response with English translation.
18	20.04.2026	18-Objection ██████████ MNE/ENG	Formal objection with English translation
19	20.04.2026	19- Extract from the Spatial Plan of the municipality Andrijevisa	Under the Spatial Plan, this land was designated as agricultural with building rights
20	20.04.2026	20-Property Certificates for Built Assets	Examples of neighboring construction; highway protection zone now imposes building ban and reduces market value
21	06.05.2026	21-Response to Mr. ██████████ grievance	Official response with English translation.
22	11.05.2026	22-Final Statement on Step 4	Formal objection with English translation
23		23-Full Records of Communication with the PGM	Complete chronological correspondence

LIST OF EVIDENCE – BY CATEGORY

Category	Evidence Numbers
I. Authorization and Identity	2, 3
II. Property and Spatial Documentation	4, 9, 19, 20
III. Vulnerability and Social Status	5, 6, 7, 8
IV. Procedural Documentation	10, 11, 22
V. Economic Impact and Valuation	13, 14, 15
VI. Communication with the Project	1, 12, 16, 17, 18, 21, 22

All supporting documents are attached in IPAM_Annexes_ [REDACTED] Project55511.zip (ZIP file) and labeled consistently.