

KOVAČICA 2 WINDFARM, SERBIA

Stakeholder Engagement Plan

Enlight K2-Wind d.o.o

January 2020

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Kovačica 2 Windfarm, Serbia

Stakeholder Engagement Plan

1 Introduction

Enlight K2-Wind d.o.o (“EK2” or “the Company”) is planning to develop a second windfarm in Kovačica municipality, in Vojvodina Province in Serbia. This is the second windfarm to be developed by the Company in the same location and is referred to as Kovačica 2 or “K2” (the Project). The final capacity of the K2 WF has not yet been determined but it will be no more than 100MW.

Project financing will likely be sought from international financial institutions or major commercial banks and the Company has decided to adopt international good practice standards in carrying out the environmental and social impact assessment (ESIA) process. In addition to Serbian legislative requirements, the ESIA will comply with Equator Principles, as well as the International Finance Corporation (IFC) Performance Standards.

The primary aim of this Stakeholder Engagement Plan (SEP) is to identify the likely stakeholders for the K2 Project, describe how the stakeholder’s views on the project have been obtained, and to summarise the on-going process of consultation and feedback. The SEP outlines the systematic approach taken by EK2 to develop and maintain a constructive relationship with their stakeholders throughout the duration of the Project. The document also includes a Grievance Mechanism for stakeholders to raise their concerns and submit suggestions or questions regarding the Project.

The document was developed by EK2 with assistance from a team of environmental and social consultants engaged by the Company for the preparation of the full ESIA document package¹.

The SEP is a living document and will be periodically updated to reflect changes in the development and implementation of the Project. In this phase, during the environmental and social scoping process carried out from September 2019 to January 2020, the current version of the SEP presents what engagement has been undertaken until now and describes engagement planned during the development of the full ESIA Study during 2020.

2 Project Description Summary

The proposed K2 windfarm, together with the already constructed Kovačica 1 (K1) windfarm, covers an area of approximately 3,721 ha in the Kovačica municipality (see location in Figure 1). Local communities that surround the site are Debeljača, Kovačica and Padina, while the State road no.130 (Pančevo to Kovačica) runs parallel with the western boundary of the site.

The K1 windfarm comprises 38 wind turbines and has a total capacity of 104.5 MW (see layout in Figure 1 and photo in Figure 2). The K1 windfarm has been fully operational since early 2019. The wind turbines are connected via underground cables to a 33/220kV substation within the windfarm location. The substation houses the switch gear, metering and control equipment, communication equipment and the windfarm control room. The K1 windfarm project was financially supported by the European Bank for Reconstruction and Development (EBRD) and complies with Serbian legislation as well as international best practice in terms of environmental and social performance. It was constructed during 2018 and began commercial operation in 2019.

The K2 windfarm will comprise 18 wind turbines and will have a maximum total capacity of 100 MW (see location and layout in Figure 3). The Project includes upgrading of existing dirt roads and construction of new access tracks. The individual wind turbines will be connected via underground cables and then to the existing K1 substation. As for the K1 windfarm, the Company has acquired land needed for the Project through easement contracts with landowners, through a voluntary process and without the option of using expropriation or other compulsory land acquisition procedure.

As for the K1 windfarm, it is likely that the wind turbines will be brought to Serbia via the Danube River to the port of Pančevo, from where they will be transported along the State Road 130 from the town of

¹ Pepper Advisory Limited (Bristol, UK), LINK 011 (Belgrade, Serbia), Insitu (Belgrade, Serbia), Fauna C&M (Belgrade, Serbia) and Dirigent Acoustics (Belgrade, Serbia).

Pančevo and then via smaller roads to the construction site. The final size of the WTGs will determine the transportation route to site.



Figure 1 – Location of the K1 and K2 site and layout of the K1 windfarm



Figure 2 – Photo of the existing K1 windfarm

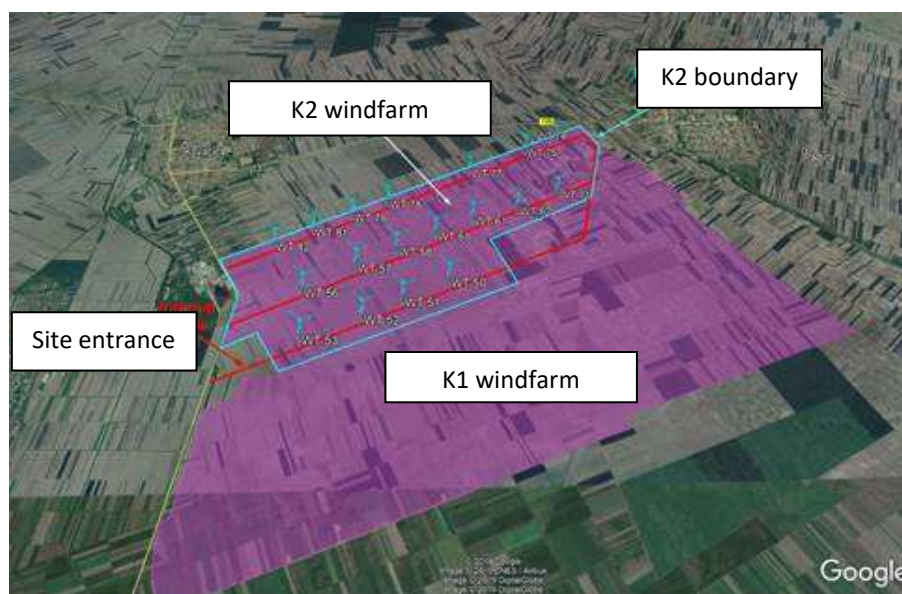


Figure 3 – Location of the K2 site and layout of the wind turbines

3 Regulatory Requirements

National Requirements

The Constitution of the Republic of Serbia (98/2006) and the Law on Free Access to Information of Public Importance (120/2004, 54/2007, 104/2009, 36/2010) guarantee everyone the right to be informed accurately, fully and timely about issues of public importance. The Law on Planning and Construction (72/2009, 81/2009, 64/2010, 24/2011, 121/2012, 42/2013, 50/2013, 98/2013, 132/2014, 145/2014, 83/2018, 31/2019, 37/2019) regulates the development and adoption of planning documents in Serbia, which are subject to a public disclosure and consultation process, as prescribed by the law. This process includes the publishing of draft plans, the organisation of public hearings to present these draft plans and the possibility for interested persons and organisations to provide questions and comments on the draft plans and receive responses.

Environmental protection laws of the Republic of Serbia, including the Law on Environment (135/2004, 36/2009, 43/11, 14/2016, 76/2018) and the Law on Environmental Impact Assessment (135/2004, 36/2009) are aligned with the relevant EU Directives on public access to environmental information, public participation in decision-making and access to justice. Public disclosure of information on the EIA procedure is required in all three stages – screening stage (decision on the need for an EIA), scoping (decision on the scope and content of the EIA) and decision-making stage (approval or rejection of a Project). The EIA study must be publicly disclosed and is subject to a mandatory public hearing, organized by the competent authority, in the case of this Project, the Provincial Secretariat for Urbanism and Environment.

IFC Requirements

Projects funded by IFC and other International Financial Institutions (IFIs) are required to meet best international practice and specifically the requirements for stakeholder engagement and public consultations, as specified in the IFC Performance Standards on Environmental and Social Sustainability (2012).

These requirements are described in detail in the IFC Performance Standard 1. In summary, the IFIs consider stakeholder engagement an ongoing process which involves:

- Identification of project stakeholders and planning of engagement activities and events through the preparation of a Stakeholder Engagement Plan
- Timely public disclosure of appropriate project related information to enable meaningful consultation with stakeholders
- Meaningful consultations with potentially affected parties and communities on matters that directly affect them, and
- Implementation of a procedure or policy by which people can make comments or complaints in relation to the project and receive a response.

4 Summary of Previous Stakeholder Engagement Activities

Stakeholder engagement has been an integral part of the process of developing first the K1 windfarm and now the K2 windfarm.

For the K1 windfarm, the Company had been engaging since 2012 with local communities and other important stakeholders through the process of adoption of the relevant planning documents and impact assessment studies, conclusion of contracts for land easements, provision of compensation for affected crops, sponsoring community events. These activities are described in detail in the K1 windfarm ESIA and SEP, as well as the company Environmental, Health, Safety and Social Performance Reports.

For the K2 windfarm, engagement will continue along the same lines as for the K1 windfarm. The Plan for Detailed Regulation (PDR) for the windfarm Kovačica from 2012, amended in 2015, was further amended in 2019 to allow for the construction of phase II of the windfarm, referred to as Kovačica 2 or K2 windfarm. In line with Serbian legislation and as published on the municipality website and the local notice board, as well as in the daily newspaper with national coverage 'Politika' and on the local TV station (Radio Televizija Opštine Kovačica - RTVOK), the early draft of the amended PDR was available for review and comments in the second half of January 2019. At the same time relevant authorities and utility companies (roads, gas, electricity, etc.) were approached with requests for issuing their conditions and these were obtained. However, no comments were received from the general public on the disclosed early draft of the amended PDR.

Following that, the full draft of the amended PDR was made available for public review for a period of 30 days from 19.04. to 20.05.2019. in electronic form on the website of the municipality and in hard copy, in the premises of Kovačica municipality. Comments could be submitted during the disclosure period and a presentation of the plan was held on 08.05.2019. in the municipality administration building. The public committee for responding to comments, open to all interested stakeholders, was held on 23.05.2019. in the municipality administration building. All this information, including a telephone number for any questions, was published on the Kovačica municipality website and the local notice board, as well as in the daily newspaper 'Politika' and on the local TV station RTVOK. Again, no comments were submitted on the full draft of the amended PDR.

Apart from the process of adoption of the amended PDR, the Company has been actively engaging with local stakeholders, more specifically owners of affected land, in the process of signing land easement contracts for the construction of wind turbines for K2 windfarm. The team of EK2 environmental and social consultants have also engaged with stakeholders during the ESIA scoping phase, to understand their key concerns and questions which should be considered and addressed in the ESIA document. A meeting was held by the Company E&S Manager and the social consultants with the Deputy Mayor of Kovačica Municipality, who praised the K1 windfarm project and stated that the municipality is fully supportive of phase II, i.e. K2 windfarm. One of the most important benefits for the municipality are the taxes and revenues associated with the project, which are significantly contributing to the local budget and will enable the local administration to provide better services to its citizens. The Deputy Mayor highlighted other positive impacts, including financial benefits for people whose land was acquired through easement contracts, for people who provided private accommodation for workers and other project visitors, as well as people who were employed by the project. The municipality is very happy with the small grants scheme organised for non-profit organisations which was initiated by the Company at the end of 2019 and will be implemented in 2020. The municipality received only one grievance in the early days of K1 windfarm construction from a group of farmers, in relation to damaged crops. The municipality contacted the Company Environmental and Social (E&S) Manager, who addressed the grievances swiftly and to the satisfaction of the complainants. Since then, there have been no complaints to the municipality and they are all being addressed through the local community council presidents, who are in direct contact with the Company E&S Manager.

The Company has an information centre in Kovačica town (see Figure 4), which is also a place where any interested stakeholders may come to ask questions, provide comments or submit and discuss potential grievances.



Figure 4 – Company Information Centre in Kovačica Town

5 Stakeholder Identification and Analysis

Stakeholder groups that may be affected by and/or interested in the Project, as well as proposed communication methods and media for each group, have been identified by EK2 with assistance from consultants and are presented in Table 1 below. The identification has been greatly influenced by experience gained from the K1 windfarm project and will be further refined during the K2 windfarm ESIA preparation phase in 2020.

Stakeholders	Type of Communication and Proposed Method	Responsibility	Timing
External Stakeholders			
Residents of Kovačica, Padina and Debeljača.	<p>Information delivered through:</p> <ul style="list-style-type: none"> the Kovačica windfarm website: http://www.vpkovacica.rs/home.html the Kovačica municipality website: http://www.kovacica.org Community notice boards The media – Politika newspaper and radio/TV (RTVOK) <p>Disclosure of relevant documents in hard copy at the premises of the municipality Kovačica and the EK2 info centre in Kovačica town.</p> <p>Community meetings during the draft ESIA disclosure period. Public hearing during the EIA disclosure period.</p> <p>Grievance mechanism.</p>	EK2 E&S Manager with support from the ESIA consultants	<p>Throughout Project implementation.</p> <p>The dates of the ESIA and EIA community meetings / hearings are unknown at present. <i>Details will be announced to the public through media and community notice boards</i></p>
<p>The general public, including interested NGOs or other organisations²:</p> <p>Hunting organisations active in the project area</p>	<p>Same as above.</p> <p>In addition, through individual meetings to discuss issues of importance and/or interest.</p> <p>Small grants scheme.</p>	EK2 E&S Manager with support from the ESIA consultants	<p>Throughout Project implementation. Meetings, when needed. <i>It is expected that representatives of this stakeholder group will be met with during the ESIA preparation phase.</i></p>
Owners and users of land affected by the Project during construction, by transport or in any other way (i.e. for crop damages and losses)	<p>Same as above.</p> <p>In addition, through individual meetings to receive requests for compensation and agree on compensation amounts.</p> <p>Rapid socio-economic survey (sample)</p>	<p>EK2 E&S Manager with support from external administrators hired by EK2 when necessary</p> <p>EK2 E&S Manager with support from the ESIA consultants</p>	<p>During construction.</p> <p><i>The sample survey will be carried out during the ESIA preparation phase</i></p>
Municipality Kovačica and local community representatives – Kovačica, Debeljača and Padina	<p>Regular communication by phone or through meetings, project progress updates and reports.</p> <p>Official correspondence.</p>	EK2 senior management (Managing Director), with support from the EK2 E&S Manager	<p>Throughout Project implementation. Meetings, when needed. <i>It is expected that representatives of this stakeholder group will be met with during the ESIA preparation phase.</i></p>

² NGOs interested in the Project were not encountered during the ESIA scoping phase, however if they are identified at a later stage they will be added to this list of stakeholders.

Stakeholders	Type of Communication and Proposed Method	Responsibility	Timing
Relevant national and provincial level authorities, including but not limited to: <ul style="list-style-type: none"> Ministry of Mining and Energy Ministry of Construction, Transport and Infrastructure Ministry of Interior Provincial Secretariat for Urbanism and Environment Provincial Institute for Nature Conservation Institute for the Protection of Cultural Monuments in Pančevo Roads of Serbia Telekom Serbia Serbia Gas, Directorate for Civil Aviation, etc. 	Permitting procedures. Official correspondence and meetings, progress reports.	EK2 senior management (Managing Director), with support from the EK2 E&S Manager	Throughout Project implementation. Meetings, when needed. <i>It is expected that representatives of this stakeholder group may be met with during the EIA and ESIA preparation phase.</i>
Internal Stakeholders			
EK 2 employees	Bulletin board, direct notifications. Grievance procedure.	EK2 senior management (Managing Director), with support from the EK2 HR Manager	Prior to and throughout the implementation of the Project
Contractors and subcontractors (workers)	Information in contract, bulletin board, training. Grievance procedure. Code of conduct.	EK2 management, to be implemented by the EK2 E&S Manager	Prior to and during construction

Table 1- Project Stakeholders

6 Planned Disclosure of Information and Consultations

To provide more information on the development of the K2 windfarm project and how stakeholders will be informed and consulted and when, relevant parts of this SEP will be published in English and Serbian, on the Kovačica windfarm website: <http://www.vpkovacica.rs/home.html>.

In the ESIA development process, expected to begin in February 2020 and last until the end of the year, EK2 and the consultant team will meet with stakeholders primarily to understand their questions, opinions and concerns, if any, in relation to the Project. Having in mind that the K1 windfarm is already operational, stakeholders should have valuable experiences that can be drawn on for defining and addressing environmental and social impacts of the K2 windfarm. Meetings with other stakeholders may also be held to obtain any baseline data that may not be available in literature or other sources.

EK 2 and the consultant team will meet with representatives of the three surrounding local communities – Kovačica, Debeljača and Padina. They will also carry out a rapid survey with a sample of owners and any identified non-owner users of affected land (renters), to understand the land acquisition process and if there were any further impacts on households' livelihoods and standards of living which need to be addressed by the Company in line with international best practice.

EK2 and the consultants may also meet with some authorities, as well as organisations or associations that may be actively involved in environmental protection in the affected area (e.g. hunting associations). In the EIA development process, statutory stakeholders will be consulted, as required under Serbian legislation.

Following the drafting of the ESIA, the full document or a non-technical summary will be published for comments, questions, and suggestions. The draft of the local EIA will also be disclosed and a public hearing will be organised by the relevant environmental authority in line with Serbian legislative requirements. The dates for these activities and events, as well as further details, i.e. venues of meetings,

where documents will be available for review, how comments and questions may be submitted, etc. will be included in an updated version of the SEP, which will be made available towards the end of drafting the ESIA document.

EK2 will continue to provide information to stakeholders through its website <http://www.vpkovacica.rs/home.html> and the info centre, and will respond to any received questions, comments or grievances as described in the next chapter.

7 Grievance Mechanism

General Project Grievances

EK2 will accept all comments and complaints associated with the Project and company operations. A sample of the Grievance Form is provided at the end of this document (Appendix A). Any person or organisation may send comments and/or complaints by phone or via post or email using the contact information provided at the end of the document. All grievances will be responded to either verbally or in writing, if contact details of the complainant are provided.

All grievances will be registered and acknowledged within 5 working days and responded to within 20 working days. Individuals who submit their comments or grievances have the right to request that their name be kept confidential. Grievances may also be submitted anonymously, however this could limit the Company's options for investigating and responding to the grievance. At all times, complainants can seek legal remedies in accordance with the laws and regulations of the Republic of Serbia.

EK2 will keep a grievance log of all grievances, based on which grievance management reports will be produced and included in the Company's Environmental, Health, Safety and Social Performance Reports. Worker/employee grievances will be addressed through a separate, internal grievance mechanism and should not be submitted through the contact details provided in this SEP.

Land Related Grievances

Grievances or requests in relation to land and any damages to crops, trees or other assets are dealt with through a dedicated procedure implemented for the K1 windfarm, which will also be used for the K2 windfarm. Details about this procedure, the form that should be filled in and how it can be submitted to EK2, are described on the project website (<http://www.vpkovacica.rs/EN/ZalbeniMehanizam.html>) and can also be obtained in the Company premises located in the centre of Kovačica town (address: JNA 50).

8 Responsibilities, Monitoring and Reporting

The implementation and updating of the SEP will be the responsibility of the EK2 E&S Manager and will be monitored by the Managing Director. Key stakeholder engagement activities will be announced and/or described on the Company website.

EK2 will report on the status of SEP implementation including grievance management, as a section in the Company's Environmental, Health, Safety and Social Performance Reports.

9 Contact Details for Questions and Grievances

Questions and / or grievances can be submitted to EK2K-Wind d.o.o. by post, email, fax or by telephone through the following contact details:

Contact person: Ljuboslav Lenhart, E&S Manager

Enlight K2-Wind d.o.o

Address: JNA 50, Kovačica

Phone: 062/471-028

e-mail: Ljuboslav.lenhart@newenergy.rs

web address: <http://www.vpkovacica.rs/home.html>

APPENDIX A

Sample Grievance Form

Reference No (to be filled in by responsible person in EK2):	
Full Name	
Contact Information and Preferred method of communication Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide postal address: <input type="checkbox"/> By Telephone: Please provide telephone number: <input type="checkbox"/> By E-mail: Please provide E-mail address:
Preferred language (please tick)	<input type="checkbox"/> Serbian <input type="checkbox"/> English <input type="checkbox"/> Other (please specify):
Description of Incident or Grievance: What happened? Where did it happen? Who did it happen to? What is the result of the problem? Source and duration of the problem?	
Date of Incident/Grievance	
	<input type="checkbox"/> One-time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Signature: _____
Date: _____

Please return this form to:

Contact person: Ljuboslav Lenhart, E&S Manager
Enlight K2-Wind d.o.o
Address: JNA 50, Kovacica
Phone: 062/471-028
e-mail: Ljuboslav.lenhart@newenergy.rs