# Technical DD update and Environmental and Social Assessment

Educational Buildings Energy Efficiency Renovation Projects in Montenegro

Phase II

final

# NON-TECHNICAL SUMMARY (NTS)

21st November 2025

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# 1 Introduction

European Bank for Reconstruction and Development (EBRD) is considering providing financing to Ministry of Education, Science and Innovation (the Ministry) for implementation of Energy Efficiency (EE) measures into 24 kindergartens in Montenegro. This investment is aimed at reducing energy and water consumption, operational costs while improving comfort level and structural safety of targeted buildings. Additionally, implementation of this project is going to have substantial positive and wider social impacts, due to the fact that it is going to provide better conditions for children, all while promoting the notion of implementation of EE measures in the wider community.

This project has been classified as category "B", and environmental and social assessment documentation for this project has been prepared in accordance with Environmental and Social Policy 2024.

**Project implementation arrangements:** The Ministry has the overall responsibility for Project preparation and implementation. The Project will be managed by a dedicated Project Implementation Unit (PIU). Construction works will be carried out by third party Contractor(s).

**Compliance with local requirements:** Project design documentation, spatial planning and permitting are going to be carried out in accordance with the national legislation, specifically *Law on Spatial Planning and Construction of Buildings.* Since the design documentation is yet to be developed, the permitting process is going to be carried out in compliance with the design, according to which the extent of the construction works is going to be defined. The Law defines a distinction between remodelling and reconstruction, whereby reconstruction requires issuance of Urbanistic-Technical Condition, while remodelling does not. However, due to the fact that the scope of the project includes extensive implementation of EE measures (general scope of works described in the next chapter), it is expected that the Ministry is going to have to request Urbanistic-Technical Conditions for each EB. Urbanistic-Technical Conditions are definitely going to be required for the two EBs which are going to be subject to upgrade. The overall process is going to be carried out in cooperation with Ministry of Spatial Planning, Urbanism, and State Property – Directorate for Inspection Supervision and Licenses. Finally, since Kotor (and parts of Herceg Novi) are located within the UNECO World Heritage area, the process of issuing Urbanistic-Technical Conditions is going to lead to detailed information about any need for developing Heritage Impact Assessment (HIA), and/or conservation conditions, which are to be complied with if required. In accordance with the planned measures related to the implementation of energy efficiency improvements, these activities do not require the initiation of an environmental impact assessment procedure under national legislation. When it comes to the existing EB scheduled for upgrade, this will be known once the details of the proposed project activities are available.

**Compliance with EBRD and EU requirements:** The Project will be fully designed and implemented in accordance with the EBRD ESP and its Environmental and Social Requirements (2024). Feasibility Study and environmental and social assessment documentation have taken into account the relevant technical, environmental and social standards, both on the EU level and on the level of Montenegrin legislation, in relation to which gaps and impact management/mitigation measures have been defined in order to ensure full project compliance with EBRD and EU requirements.

This document is the Non-technical Summary (NTS) which has been prepared in conjunction with Environmental and Social Assessment Report (ESAR), Environmental and Social Management Plan (ESMP), Environmental and Social Action Plan (ESAP), Stakeholder Engagement Plan (SEP), all of which constitute Project's disclosure package. NTS provides a Project summary in non-technical language covering the Project background, brief project description, overview of legislative and regulatory requirements, E&S impacts with mitigation measures which are going to ensure compliance with EBRD ESP 2024, and project-level disclosure and communication requirements.

# 2 Project description

The European Bank for Reconstruction and Development (EBRD) is committed to promoting and supporting green investments through its Green Economy Transition (GET) initiative. To achieve this, the Bank aims to strategically leverage public delivery channels to maximize its impact. The Ministry of Education, Science, and Innovation (the Ministry) has recognized that buildings are significant energy consumers and that improving energy efficiency (EE) in this sector holds substantial potential for energy savings.

In recent years, the Ministry and the EBRD have collaborated on preliminary project preparations for targeted energy efficiency initiatives. They have made significant progress in the preparatory stages of the "Educational Energy Efficiency Project," which is planned to begin implementation in 2025.

The Ministry has identified 24 schools and specifically kindergartens with a gross area of 20,063m² considered for potential inclusion in Phase II of the Educational Energy Efficiency Project.

The current energy performance of these buildings falls significantly below modern energy standards in Montenegro. Building age and outdated construction practices contribute to this low performance. Additionally, restricted investment levels and limited fiscal space have led to deteriorating structures and, in some cases, insufficient comfort standards.

To address those challenges, the EBRD and the Ministry are considering the development of a second phase of educational buildings renovation programme. The intended investment programme aims at renovating buildings by implementing resource efficiency and renewable energy (RE) solutions (“the Project”).

The dedicated investment in the renovation of 24 educational buildings is expected to reduce energy and water consumption, operational costs while improving comfort level and structural safety of targeted buildings. Furthermore, due to the nature of the buildings, the project is expected to have wider social impact, promoting the benefits of energy efficiency to the local communities.

Eligible EE investments considered under this scheme may include: renovation and improvement of the energy performance of the building envelope and related structural strengthening measures (as necessary), replacement/ modernisation of Heating, Ventilation and Air Conditioning (HVAC) systems, installation of Energy Management System (EMS), installation of more efficient lighting systems (e.g. LED), installation of building integrated Renewable Energy, including installation of alternative power source (solar, heat pumps, etc.), and water saving technologies. Eligible investments will need to comply with a minimum requirement of at least 30% primary energy saving compared to pre-project baseline scenario, meeting satisfactory comfort levels (especially regarding temperature, humidity and lighting conditions).

The EBRD has financed the development of a Technical Feasibility Study (TFS) for the 24 kindergartens.

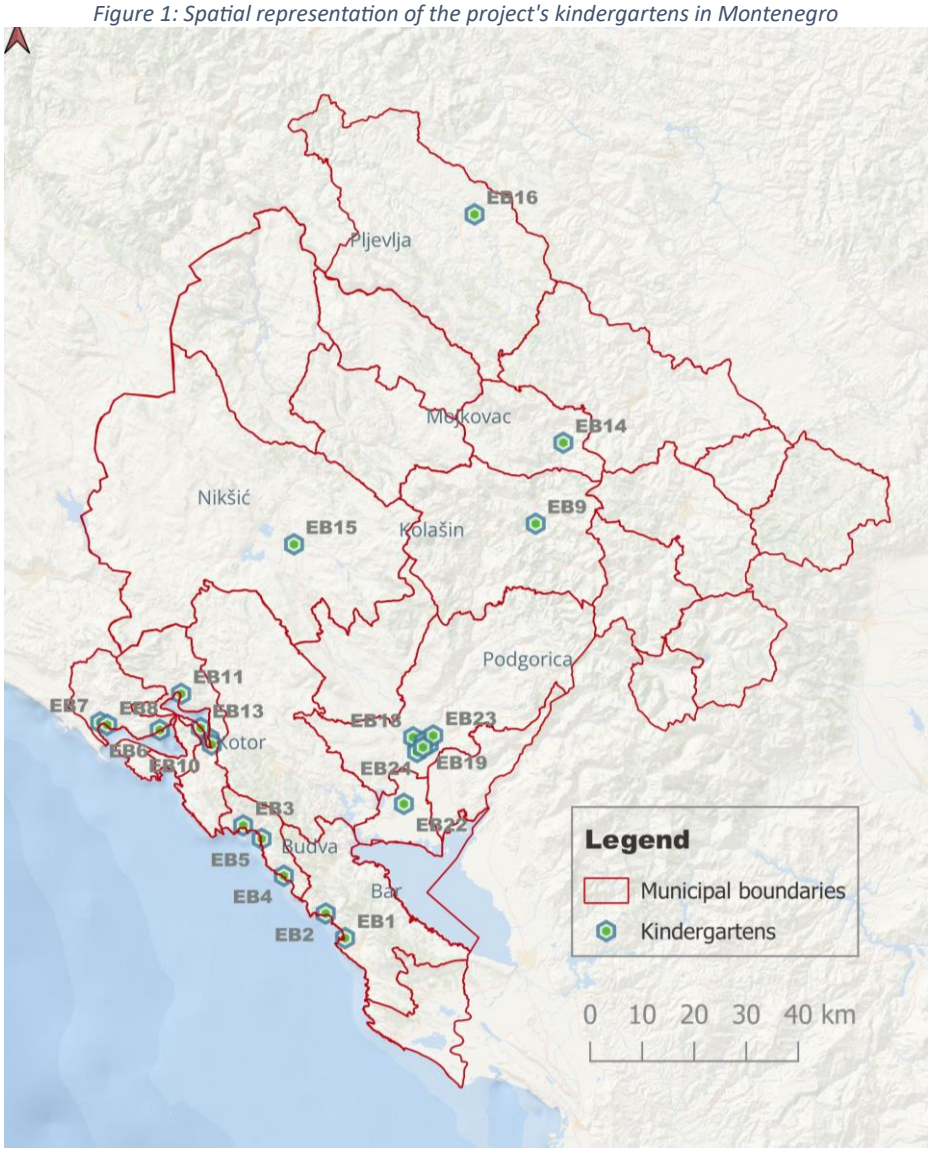
It is expected that the Project will have significant positive environmental and social benefits from improved energy efficiency of the existing educational buildings, however there may also be potential existing impacts and risks which will be considered and elaborated in the further steps.

The Project is categorised "B" in accordance with the EBRD Environmental and Social Policy (ESP) (2024).

The Consultant undertook to develop an Environmental and Social (E&S) Assessment of both the Project and the Client's existing operations, as well as an updated technical assessment for all 24 buildings within the project scope.

A visual representation of the geographic distribution of the facilities is provided in the map on the following page.

*Figure 1: Spatial representation of the project's kindergartens in Montenegro*



*Recent statements:*

Following the completion of the TFS and during the preparation of the Environmental and Social Management Plan (ESMP), the Ministry of Education, Science and Innovation has formally communicated modifications to the project scope, reflecting evolving institutional needs and technical findings of the TFS.

These adjustments include the following:

1. Two facilities initially included only for EE measures – Đina Vrbica – Educational Unit Zvoncic and Đina Vrbica – Educational Unit Đina Vrbica – have now been proposed for facility expansion (new construction), in addition to energy efficiency measures:

   For Zvoncic (current size ~1,000 m²), expansion of up to 4,000 m² (G+1) is technically feasible and is now proposed.

   For Đina Vrbica (current size ~1,750 m²), expansion of at least 3,500 m² is proposed. Since this facility lies in an area without a valid urban plan, the project will proceed on the basis of Urban-Technical Conditions, to be adopted by the Government of Montenegro, upon proposal by the Ministry of Spatial Planning, Urbanism, and State Property.

   The final surface areas of the new buildings will be determined based on available loan funds, preschool design standards, and institutional needs.

2. The kindergarten in Petrovac, originally listed, will not be included in this phase due to its prefabricated structure, which is not suitable for deep energy efficiency upgrades.

Despite the fact that the Ministry of Education, Science and Education has subsequently provided an update in relation to their decision about the project scope, this document provides comprehensive information about all 24 objects which were initially included in the scope of the Project, since the Consultant did carry out assessment of each initially defined object, as defined in ToR. Additionally, it is important to take into account the conditions of all objects, as initially defined, as some of the indicators (which were already initially identified in the Feasibility Study), were taken into account during the Ministry's decision-making process. In line with the above, the table below provides a detailed overview of all EBs defined in ToR and their status:

*Table 1: Educational Buildings locations and general details*

| ID. | Site name | Site location | Building dimension | Building structure | Year of con. |
|---|---|---|---|---|---|
| **EB1** | JPU "Vukosava Ivanovic-Masanovic" - Educational unit "Delfin" | Topolica | 450 $m^2$ gross building area | Ground floor | 1971 |
| **EB2** | JPU "Vukosava Ivanovic-Masanovic" - Educational unit "Mala sirena" | Sutomore | 550 $m^2$ gross building area (including terraces) | Ground floor | 1981 |
| **EB3** | JPU "Ljubica V. Jovanovic - Mase" - Educational unit Novi vrtic | Budva | 1,148 $m^2$ gross building area | Ground floor + first floor | 2010 |
| **EB4** | JPU "Ljubica V. Jovanovic - Mase" - Educational unit Petrovac | Petrovac | 1,170 $m^2$ gross building area | Ground floor | 1980 |
| **EB5** | JPU "Ljubica V. Jovanovic - Mase" - Educational unit Sveti Stefan | Sveti Stefan | 458 $m^2$ gross building area | Ground floor | 1980 |
| **EB6** | JPU "Nasa radost" - Educational unit Bijela | Bijela | 650 $m^2$ gross building area | Ground floor | 1978, extended in 1986 |
| **EB7** | JPU "Nasa radost" - Educational unit Igalo | Igalo | 1,482 $m^2$ gross building area | Ground floor | 1980 |
| **EB8** | JPU "Nasa radost" - Educational unit Topla | Topla | 920 $m^2$ gross building area | Ground floor + first floor | 1976 |
| **EB9** | JPU "Sestre Radovic" | Kolasin | 926 $m^2$ gross building area | Ground floor + first floor | 1974, extended in 1988 |
| **EB10** | JPU "Radost" | Kotor | 1,152 $m^2$ gross building area | Ground floor + first floor | 1950, extended in 1984 |
| **EB11** | JPU "Radost" | Risan | 290 $m^2$ gross building area | Ground floor | 1976, extended in 1985 |
| **EB12** | JPU "Radost" | Dobrota | 620 $m^2$ gross building area | Ground floor + first floor | 1966, extension in 1978 |
| **EB13** | JPU "Radost" | Prcanj | 390 $m^2$ gross building area | Basement + Ground floor | 1977 |
| **EB14** | JPU "Jevrosima Jevra Rabrenovic" | Mojkovac | 1,000 $m^2$ gross building area | Ground floor + first floor | 1960, extended in 1986 |
| **EB 15** | JPU "Dragan Kovacevic" | Niksic | 1,091 $m^2$ gross building area | Ground floor | 1975 |

| ID. | Site name | Site location | Building dimension | Building structure | Year of con. |
|---|---|---|---|---|---|
| **EB16** | JPU "Eko bajka" | Pljevlja | 1,394 $m^2$ gross building area | Ground floor + first floor | 1978, extended in 1987 |
| **EB17** | JPU Ljubica Popovic – administrative unit | Podgorica | 1,550 $m^2$ gross building area | Ground floor + first floor | 1969, extended in 1997 |
| **EB18** | JPU Ljubica Popovic – Educational unit Sunce | Podgorica | 1,446 $m^2$ gross building area | Ground floor | 1990 |
| **EB19** | JPU Đina Vrbica - Educational unit Bubamara | Podgorica | 582 $m^2$ gross building area | Ground floor + first floor | 1960, extended in 1979 |
| **EB20** | JPU Đina Vrbica - Educational unit Jelena Cetkovic | Podgorica | 820 $m^2$ gross building area | Ground floor | 1973 |
| **EB21** | JPU Đina Vrbica - Educational unit Poletarac | Podgorica | 1,446 $m^2$ gross building area | Ground floor | 1990 |
| **EB22** | JPU Đina Vrbica - Educational unit Zvjezdani vrt | Golubovci | 1,967 $m^2$ gross building area | Ground floor | 2013 |
| **EB23** | JPU Đina Vrbica - Educational unit Zvoncic | Podgorica | 1,004 $m^2$ gross building area | Ground floor | 1982 |
| **EB24** | JPU Đina Vrbica - Educational unit Đina Vrbica | Podgorica | 1,750 $m^2$ gross building area | Ground floor | 1976, extended in 1990 |

**Project measures**: Eligible EE investments considered under this scheme may include: renovation and improvement of the energy performance of the building envelope and related structural strengthening measures (as necessary), replacement/ modernisation of Heating, Ventilation and Air Conditioning (HVAC) systems, installation of Energy Management System (EMS), installation of more efficient lighting systems (e.g. LED), installation of building integrated Renewable Energy, including installation of alternative power source (solar, heat pumps, etc.), and water saving technologies. Eligible investments will need to comply with a minimum requirement of at least 30% primary energy saving compared to pre-project baseline scenario, meeting satisfactory comfort levels (especially regarding temperature, humidity and lighting conditions).

# 3 Brief overview of environmental and social impacts/risks and corresponding mitigation measures

This section presents a brief overview of the environmental and social impacts which have been identified in relation to EBRD ESRs. Potential negative impacts have been identified in relation to the project construction phase, whereby only positive impacts are expected during the operational phase of the project, i.e. upon implementation of EE measures in all objects.

The identified negative environmental and social impacts are site-specific, whereby the E&S documentation which has been developed for the project, specifically Environmental and Social Management Plan (ESMP) and Environmental and Social Action Plan (ESAP), propose effective impact mitigation and/or avoidance measures. Measures are in the manner that the impacts are managed both during the construction and the design phase, so as to ensure comprehensive mitigation of all the potential impacts.

In order to ensure effective management of project risks and impacts, the Contractor(s) is going to develop a Construction Environmental and Social Management Plan (CESMP), which is going to be aligned with the project ESMP. Additionally, ESMP defines provisions related to Contractor's obligation to develop additional E&S sub-plans, where necessary, some of which include: Waste Management Plan (WMP), Traffic Management Plan (TMP), Occupational Health and Safety (OHS) Plan, Emergency Response Plan, and ACMs Management Plan (ACMMP) where applicable.

The section below presents a brief overview of the identifies impacts, along with mitigation measures (as defined in ESMP), which are going to be implemented and monitored on project level, so as to ensure impact mitigation and project compliance with EBRD ESRs. The PIU will oversee implementation of the project-level environmental and social plans, i.e. implementation of impact mitigation measures, and report to EBRD accordingly.

- **Noise and vibration:** short-term impacts may be expected during working hours, in urban areas during demolition and renovation activities (use of power tools; removal of old materials, e.g. windows, insulation, facade elements, etc.). ***Impact mitigation measures include:*** *carrying out construction activities only during daytime; using equipment with silencers which meet noise emission standards; raising workers awareness that noisy activities need to be minimized; avoiding simultaneous work of noisy machines when possible; leaving the engines running on site will be avoided unless necessary.*
- **Air pollution:** shot-term outdoor/indoor works may cause impacts related to dust generation, emissions from construction machinery and vehicles, VOCs from adhesives/paints. ***Impact mitigation measures include****: regular spraying of the route where necessary (construction zone); regular maintenance of all vehicles, equipment and machinery used for construction the equipment must have the necessary certificates to ensure that the level of exhaust emissions is in accordance with the prescribed standards; use of modern and efficient machinery and covering of trucks and other means of transport carrying bulk material; use of low-VOC or zero-VOC certified paints, adhesives, sealants, and coatings; ensure proper ventilation during and after application of VOC-emitting products (natural or mechanical);*

*store chemicals in sealed, labelled containers in well-ventilated areas, away from heat or sunlight.*

- **Groundwater quality:** Works may lead to contamination from accidental spills (dangerous material, concrete spilling, machine washing). ***Impact mitigation measures include****: Proper handling and storage dangerous products at location; temporary disposal of hazardous waste into the properly equipped area for hazardous waste (closed, equipped with anti-spill kit); prohibition of washing of mechanization on site; all site staff must receive training on spill prevention, early detection, and response protocols; records of training shall be maintained; development and implementation of site-specific Emergency Response Plan, including immediate actions, reporting, and remediation procedures for any accidental spill.*
- **Soil quality:** Pollution is possible in accidental situations or in the case of inadequate construction site organization. Some examples include contamination from accidental spills (dangerous material, concrete spilling, machine washing), Improper Disposal of Construction Materials and Waste. ***Impact mitigation measures include****: starting fire on construction site is strictly prohibited; proper waste disposal in accordance with the Law; implementation of all measures defined for protection of groundwater quality.*
- **Protected natural environment:** Based on the available data, the kindergartens are not located within any protected natural areas. The most significant protected areas are over 1 km away. Within 3 km of some sites, localized sites exist, but these are under limited national or municipal protection and are not expected to be affected.
- **Waste generation and disposal:** As all construction sites generate waste, the impacts may occur due to poor management of construction waste, hazardous waste, municipal waste, packaging waste, etc. ***Impact mitigation measures include:*** *prevent mixing of different types of waste especially mixing of hazardous and non-hazardous waste; transport construction waste to a location designated by the competent local government company, i.e. before commencing the works it is necessary to make a contract for the taking over of construction waste by an authorized company; waste producers are required to carry out a monitoring and to keep records; hazardous waste will be temporary disposed of into the properly equipped area for hazardous waste (closed, equipped with anti-spill kit); development of Waste Management Plans, in accordance with the national legislation.*
- **Health and safety:** Potential impacts may include: hazards act in a short period of time and cause injuries to workers; Mechanical hazards originating from work equipment; Hazards related to the characteristics of the workplace; Electrical hazards; Fire hazards; Harms act over a longer period of time and cause various occupational diseases, i.e., work-related diseases; harm that appears in the process of work, Physical and mental efforts; Harms related to the organization of work; Other damages (violence in a work place, working near water or under the surface of water, increased or decreased atmospheric pressure...). **Impact mitigation measures include:** Using preventive measures and protective measures according to priority in application; Eliminating hazards or reducing risks through reconstruction of means of work, workplace and technological processes; Replacing dangerous with less dangerous or harmless, or moving the workplace outside the dangerous zone; Adjusting work and workplace to the employee by applying new knowledge; Use of protective devices and other collective means of protection, signs of protection, etc.; Use of personal protective equipment, implementation

of organizational protection measures (training, information, development of safe work routines, warning signs, sound and light signalling).

- **Dangerous products/materials:** Materials used in facilities built between 1970–2005 may include asbestos and PAH-containing bituminous layers. Disturbance during renovation may release harmful fibres or vapours. This is due to the fact that there is potential presence of hazardous materials such as asbestos-containing materials (ACMs), lead-based paints, bituminous waterproofing layers containing PAHs (polycyclic aromatic hydrocarbons), and mineral wool insulation. ***Impact mitigation measures include:*** *Risk-based sampling and safety measures are recommended before works begin. Before start of construction works, a targeted Sampling plan shall be conducted to confirm presence of asbestos and other hazardous materials (e.g. mineral wool, PAHs); If hazardous materials are identified, an Asbestos Management Plan must be developed by a licensed contractor, in line with national regulations and international standards (e.g. WHO, ILO, EU directives). Materials confirmed to contain asbestos or other hazardous materials shall be removed before any reconstruction works, by certified personnel using protective equipment and in accordance with hazardous waste handling procedures; Workers shall be trained on identification and safe handling of hazardous materials and all hazardous materials must be packaged, labelled, stored, and disposed of according to national hazardous waste regulations.*
- **ESMS and quality management systems:** Lack of ESMS and quality management systems may lead to poor environmental and social performance during project implementation, as EBs' management stressed the importance of having someone from their staff present on site during the construction. Additionally, lack of these procedures and systems may lead to poor cooperation with the Ministry in implementation of the pertaining environmental and social requirements. ***Impact mitigation measures include:*** the Ministry *to develop and implement proper ESMS systems (in all EBs), including dedicated staff and procedures for environmental and social management and monitoring. This shall be developed on the basis of the project ESMP and ESAP; EBs' to develop and put into operation quality management systems, prior to construction.;* the Ministry *to provide EBs' staff with environmental and social management training.*
- ***Emergency situations:*** *Lack of emergency planning may lead to detrimental impacts on children and staff (in cases when EBs do not have the possibility to relocate during the works).* Poor management of emergency situations may also lead to negative impacts on the objects, facilities, construction workforce, surrounding objects and community. ***Impact mitigation measures include:*** the Ministry *to develop Emergency Preparedness and Response Plan for each EB. These plans shall be developed in compliance with the existing Emergency and Evacuation plans (in EBs where these are available); In EBs which do not have Emergency Preparedness and Response Plans and Evacuation Plans,* the Ministry *shall ensure that these are developed prior to construction; Contractor shall duly implement Emergency Preparedness and Response Plans and Evacuation Plans during construction.*
- **Labour and working conditions:** Labour and working conditions are managed through the Job Classification Acts, but there are no proper HR policies in place. Additionally, many EBs do not have properly documented information and guidance for ensuring safety of staff and children during construction.

Lack of labour and working conditions management and procedures may lead to substantial risks during construction, especially in cases of negligence, poor management and/or lack of allocation of responsibilities for monitoring the works. ***Impact mitigation measures include:*** *Development of proper HR policies procedures, and guidance for ensuring safety of children and staff during construction works. Guidance for safe working conditions and HR policies and procedures shall be developed by* the Ministry *for each EB, in accordance with project's ESMP and ESAP;* the Ministry *to provide training to EBs on HR policies; EBs to align the existing Job Classification Acts with the HR policies and procedures.*

- **Disability access:** Majority of EBs is going to have the possibility to relocate children to other objects during construction, so the works are not going to cause disturbance in terms of disability access. However, it is necessary to develop and provide disability access facilities in front of each EB, as well as inside the premises of each EB. ***Impact mitigation measures include:*** *Ensuring undisturbed disability access to any EBs which are going to be in operation during construction (e.g. some EBs do not have an alternative location for children and staff, so they require that works are carried out after hours, during weekends, and/or holidays); ensuring disability access within the objects during construction (e.g. ensure that any construction material does not disturb access to any facilities within the object).*
- **Access to objects and traffic management:** Some EBs do not have parking areas, or extensive areas for manoeuvring of vehicles and/or areas which could be used for storage of construction material. Additionally, some EBs are located just next to roads, without any direct access to the object (e.g. EB12). This implies that proper traffic management procedures must be established in order to ensure regular organisation of traffic and supply and delivery of construction material, as well as general organisation of construction. Lack of proper traffic management planning could lead to disturbance of surrounding traffic, objects and facilities, and could potentially lead to accidents. ***Impact mitigation measures include:*** *Develop Traffic Management Plans for each EB, as well as plans for supply, delivery and storage of construction material for each EB.*
- **Impacts on surrounding objects:** Some EBs are located just next to other public institutions, albeit all EBs are separated from these objects by proper fencing. However, for the purpose of ensuring regular operation of these surrounding objects (e.g. public healthcare institutions, elementary schools), it is necessary to develop proper traffic organisation and material supply plans. Lack of proper planning related to movement of construction machinery could potentially impact regular operation of surrounding objects and institutions. **Impact mitigation measures include:** *Develop Traffic Management Plans for each EB, as well as plans for supply, delivery and storage of construction material. These plans have to take into account the operation and needs of the surrounding objects, so as to ensure undisturbed access to public services, facilities and services, as well as security and safety of the people who use these objects.*
- **Relocation of children and staff during construction:** Some EBs will not have the possibility to relocate children to other objects during construction works, and their requirement is to implement the works after hours, during weekends, and/or during holidays. The general rule is to relocate children and staff to alternative objects during construction, so as to avoid negative impacts (e.g. evaporations, noise, dust).

However, in case when EBs do not have the possibility to relocate children and staff, it is only going to be allowed to carry out works after hours, during weekend, and/or during holidays. **Impact mitigation measures include:** *General rule is that works which cause negative impacts (noise, dust, evaporations, etc.) may not be carried out with children and staff present in objects. This principle shall be implemented in all EBs which have alternative objects. In case of EBs which have the possibility for relocation, develop relocation plans in coordination with directors of each EB. The plans must be developed at least 2 months prior to commencement of construction, so as to ensure regular operation of kindergartens. The plans shall be developed with the support of the Ministry, while the Contractors must incorporate the plans into their construction management plans. In case of EBs which do not have the possibility to relocate children and staff, special construction works management plans shall be developed, so as to ensure that works are only carried out when no one (children and staff) is present in these objects. In such cases, works may only be carried out after hours, during weekends and during holidays. All construction activities must be duly coordinated with the EBs' management. In case of implementation of works which lead to evaporation (e.g. painting), such works must be implemented in the manner which is going to ensure that the objects are free from evaporations by the time children and staff come back to the object upon completion of such works. All plans must be developed in close cooperation between the Ministry of Education, Science and Innovation and EBs' management, and in coordination with the Contractor(s).*

- **Land use:** All objects are located on land which is fully owned and managed by the Ministry. However, There are 2 EBs (EB11 and EB23) which have objects behind the kindergarten. These objects were built at the time of construction of kindergartens, and are owned and managed by the Ministry of Education, Science and Innovation and the kindergartens. However, these objects were built for the purpose of providing residence to kindergartens' employees. The case with these 2 EBs is that there are still people living in these objects (EB11: a former employee, retired, and her son; EB23: current janitor). The objects are located within the boundaries of the pertaining land plots, and they share access with the kindergartens. Lack of proper engagement with people who live in these objects could lead to potential impacts on their living conditions (e.g. due to noise, dust, evaporation). Additionally, these people may experience issues with access to their objects during construction, as these objects are not subject to this project, and the construction sites must be duly 'enclosed'. However, all project activities must be implemented in full respect of their needs for access and with due respect to prevention of impacts on their living conditions. **Impact mitigation measures include:** *Engage with people living in the objects located in back yards of EB11 and EB23, and maintain ongoing stakeholder engagement throughout project implementation so as to avoid any disturbance. Engagement shall be carried out by the EBs' management and Ministry of Education, Science and Innovation/PIU, prior to construction, so as to ensure that their needs and requirements are duly taken into account and communicated with the Contractor. People living in objects in the back yard of EB11 and EB23 must be provided with undisturbed access to their place of residence, at all times.*

- **Protected cultural assets and busts/monuments in front yards of kindergartens:** EB15 is protected, since the architectural design is formally registered and has a protection status. Family of the deceased architectural designer is always involved in approving any works on the object, and they do not allow any changes to the layout and design of the object. Additionally, there is a bust in the front yard, which is dedicated to Dragan Kovacevic (kindergarten is called Dragan Kovacevic), and protected. This object requires dedicated planning and alignment with the preservation requirements. The planning must be carried out in the manner which is going to ensure complete preservation of the visual aspects of the object, as well as preservation of the protected monument. Construction activities may only be implemented upon formal approval. Additionally, there are busts or monuments dedicated to the people to whom the kindergartens are dedicated in a number of EBs. With the exception of EB15, no other EBs confirmed that these busts are protected, but they must be preserved. It is essential to ensure that the existing busts/monuments are fully protected against any negative impacts during construction. With the exception of the bust in front of EB15, these busts/monuments are not protected (cultural heritage), but they must be fully conserved and protected during project implementation. ***Impact mitigation measures include:*** *The design is going to have to be fully adapted to the requirements related to the protection status of the object, with special emphasis on the layout of the object and the façade. For the purpose of avoiding any impacts on the protected object and the protected monument, the Contractor has to develop a plan for managing potential impacts (physical damage, visual impacts, etc.) on the protected object and the monument. Designer has to engage with the EB15's management and the family of the deceased architect, so as to ensure that the design is fully aligned with the requirements related to conservation and preservation of the object's layout and visual quality. Designer to ensure full compliance with the Urbanistic-Technical Conditions and conservation requirements. Additionally, detailed mapping of busts/monuments shall be carried out, while these objects shall be protected/fenced off during construction.*
- **UNESCO World Heritage Area:** The area of Kotor is inscribed in the UNESCO's world heritage list. Parts of Herceg Novi are also located in the UNESCO buffer zone. Thereby, EBs located in these two municipalities may be subject to special planning and design requirements. It is essential to ensure full compliance with the UNESCO's requirements and the pertaining spatial planning regulations in Kotor and Herceg Novi, so as to ensure avoidance of any negative impacts during project implementation. The requirements may be related to development of conservation studies and/or Heritage Impact Assessment (HIA) for individual objects. However, this procedure is regulated by the national and local authorities, and EBs in these two municipalities have implemented rehabilitation projects in the past, whereby they were never required to develop any additional studies. ***Impact mitigation measures include:*** *Design documentation for EBs in Kotor and Herceg Novi must be developed in full compliance with the protection and conservation conditions which are going to be defined by the local and national authorities, and in accordance with UNESCO guidance which has been incorporated into the national regulation. The Designer and the Contractor must fully comply with the design and construction requirements which are going to be defined for these projects.*

*The conditions and requirements are going to be defined by the Urbanistic-Technical Conditions, whereby the competent authorities are going to provide guidance and requirements related to any additional assessments that may be required for some of these EBs.*

- **Stakeholder engagement:** There are no proper stakeholder engagement procedures in place in any of the EBs. EBs do not carry out proper stakeholder identification and analysis, but they do have plans for cooperation with the local authorities, local communities and local companies. Lack of proper stakeholder engagement planning, including information disclosure may lead to poor planning of project implementation, disruption of services for children and parents, and disruption of cooperation with other external stakeholders and local community. A comprehensive Stakeholder Engagement Plan (SEP) has been developed for this project, and it is going to be implemented by the Ministry/PIU. ***Impact mitigation measures include:*** *Implement SEP across all EBs and ensure that all EBs duly support the Ministry in implementation of the communication and stakeholder engagement activities through dissemination of the official notices through their means of communication.*
- **Grievance mechanism:** There are no Grievance Mechanisms (neither for workers nor for external stakeholders) in any of the EBs. EBs do have internal procedures for workers' complaints, but this is a mechanism which involves labour inspection and the Ministry, and it is rather formal, which means that it could be discouraging to the employees. Lack of Grievance Mechanism may lead to poor project acceptance, as well as gaps in project compliance. For the purpose of recording any potential grievances (internal and/or external), grievance mechanism must be duly implemented on project level, and in cooperation with all EBs, Contractor and Ministry of Education, Science and Innovation, in accordance with provisions defined in SEP and this ESMP. ***Impact mitigation measures include:*** *Implement Grievance Mechanism on project level, in cooperation with all EBs, in accordance with provisions defined in SEP. Contractor to ensure that Grievance Boxes are placed at each construction site. Contractor to manage grievances, and share them with Ministry of Education, Science and Innovation/PIU in accordance with the rules defined in SEP.*
- **Positive impacts during the operational phase:**
  - energy savings, long-term benefit (Reduced consumption of heat and electricity);
  - indoor air quality, long-term benefit (Improved thermal comfort, less moisture/mould risk);
  - health and safety (It is expected that by implementing measures of improvement of energy efficiency, as well as the necessary comfort improvement measures, facilities will also be improved in terms of occupational health and safety measures);
  - improved material safety and indoor air quality are expected as a result of proper removal or sealing of harmful legacy materials. This is going to be achieved by removing and encapsulating hazardous materials—such as ACMs and PAH-containing coatings—EE renovations effectively lower long-term exposure risks.
  - Improved conditions and comfort in objects: Better conditions for children and staff, which are going to improve the overall satisfaction of all stakeholders, including parents and other external stakeholders. This is a long-term benefit.

- Visual aspect: Replacement of old doors and windows, as well as rehabilitation of facades on EBs is going to significantly improve the overall visual quality and appeal of the objects.

# 4 Disclosure and communication

A Stakeholder Engagement Plan (SEP) has been developed to identify stakeholders, outline engagement methods and establish a grievance mechanism specific to the Project. The SEP aims to transparently communicate the stakeholder engagement program throughout the entire Project cycle, facilitating timely decision-making and encouraging active involvement of stakeholders.

The PIU will disclose this NTS, the SEP, the Project Grievance Leaflet and the Project Grievance Form as early as possible in the Project development process. These documents will be available in Montenegrin and English language in electronic and printed forms on the website of the Ministry (https://www.gov.me/mps) and its physical address (Vaka Đurovića BB, Podgorica, Montenegro).

The PIU will also ensure that all educational institutions publish the link with the documents on their websites. After disclosure, stakeholders will have a period of one month to provide feedback (their opinions and suggestions with regard to the Project). To encourage feedback, the PIU will (in parallel with disclosure) publish on the Ministry's website and ensure that all educational institutions publish on their websites a notification with the contact person details of the PIU, as well as the timeframe for sending feedback. All comments and proposals will be considered by the PIU. A brief report ("comments matrix") on comments/proposals received and responses from the PIU will be published on the Ministry's website following the public review period.

The PIU will commit to providing clear information about the planned construction activities. This will include publishing a notice detailing the start and duration of the works, along with the Public Grievance Leaflet and Project Grievance form[1], at least 30 days before the start of the works through:

- the website listed above
- displaying the notice at the entrances to the educational institutions (and the reception counter of the University dormitory Podgorica)
- displaying the notice at the entrances of spaces that educational institutions lease to business users and/or sending the notice to business users by email or post.

Note that any concerns can be reported to the PIU verbally (personally or by telephone) or in writing using the Project Grievance Form (submitted in person, by mail, or email above). Grievances may also be submitted anonymously or without the use of the form if preferred. After construction begins, the form can be submitted to the Contractors or Supervision Engineer, who will forward it to the PIU within 24 hours for processing.

**PIU contact information:**

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[1] Public Grievance Leaflet and Grievance Form available in Appendix 1 and Appendix 2 to SEP