ELEKTROKRAJINA GRID REHABILITATION AND UPGRADE PROJECT

TECHNICAL, ENVIRONMENTAL AND SOCIAL ASSESSMENT

Non-technical Summary

July 2026

CONTENTS

ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
ESAP	Environmental and Social Action Plan
ESMP	Environmental and Social Management Plan
LV	Low Voltage
MV	Medium Voltage
NTS	Non-technical Summary
OHS	Occupational Health and Safety
PIU	Project Implementation Unit
RS	Republika Srpska
SEP	Stakeholder Engagement Plan

1 INTRODUCTION

WHAT IS THIS DOCUMENT?

This document is the Non-technical Summary (NTS) prepared as part of the environmental and social assessment for the Elektrokrajina Grid Rehabilitation and Upgrade Project. It explains the Project in simple and accessible language, including what the Project is about, why it is needed, what benefits it is expected to bring, what impacts may occur during construction and operation, and how these impacts will be managed and reduced.

WHAT IS THE PROJECT?

The Project is the rehabilitation and reconstruction of old and deteriorated parts of the medium-voltage (MV) and low-voltage (LV) electricity distribution network in Republika Srpska (RS), operated by Elektrokrajina - the largest electricity distribution system operator in RS.

The planned works will include rehabilitation of up to 700 km of MV network and up to 2,000 km[1] of LV network, representing up to 12% of Elektrokrajina's total distribution network. This will cover replacement of poles, conductors or both, depending on the condition of each network section, with bare conductors to be replaced by insulated conductors in selected sections to improve reliability and resilience to adverse weather conditions.

No works on transformers or transformer substations are planned under the Project. The existing poles supporting transformers are considered to be in satisfactory structural condition and will not be replaced.

WHERE WILL THE WORKS TAKE PLACE?

The works will take place across 21 cities and municipalities in the northern and north-western part of RS, within the service area of Elektrokrajina. The Project covers:

- **five cities:** Banja Luka, Laktasi, Gradiska, Prnjavor and Prijedor; and
- **sixteen municipalities:** Krupa na Uni, Novi Grad, Kostajnica, Kozarska Dubica, Ostra Luka, Srbac, Celinac, Kotor Varos, Knezevo, Petrovac, Ribnik, Istocni Drvar, Mrkonjic Grad, Jezero, Sipovo and Kupres.

All works will take place within existing electricity distribution corridors and operational areas, where poles and conductors are already present. The network passes through urban, peri-urban and rural areas, including settlements, roadside corridors, agricultural land and other already modified landscapes within the Project area presented in the figure below.

[1] The stated network lengths are indicative. The final length of the rehabilitated network will depend on market prices for construction works and materials at the time of implementation.

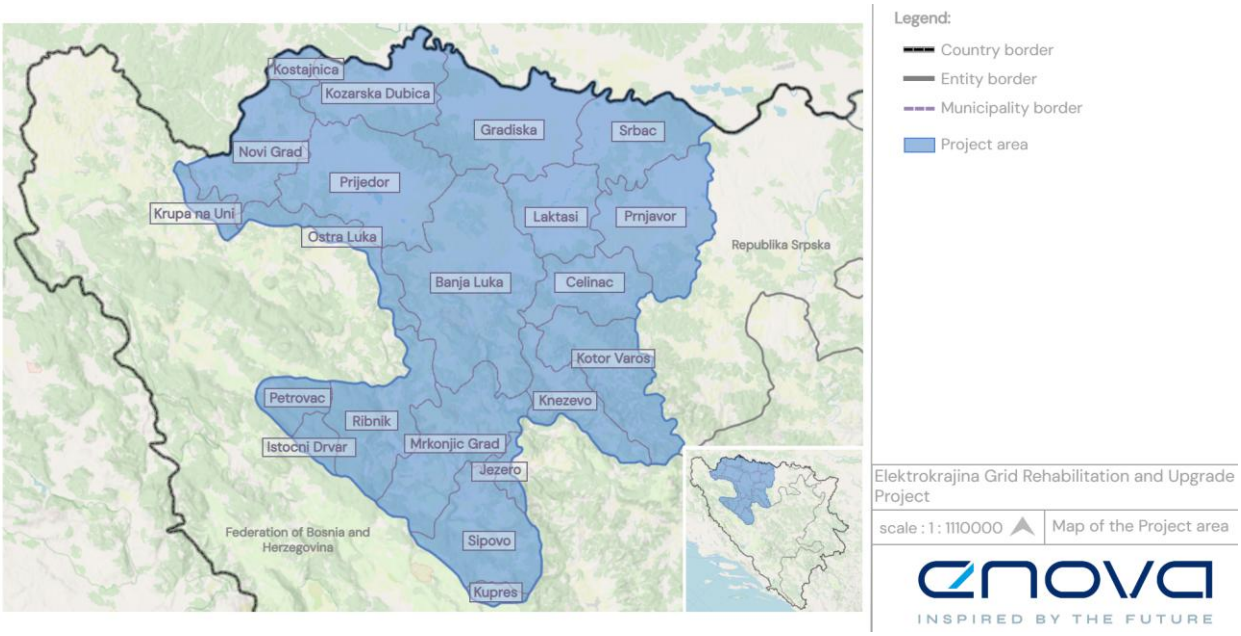

Figure 1: Map of the Project area

WHO IS FINANCING AND IMPLEMENTING THE PROJECT?

The Project is being prepared for financing by the European Bank for Reconstruction and Development (EBRD). The EBRD's Environmental and Social Policy (2024) provides the main framework for managing all key environmental and social issues in such projects.

The loan borrower and Project implementer will be Elektrokrajina a.d. Banja Luka. Project implementation will be coordinated by a Project Implementation Unit (PIU).

Construction works will be carried out by third-party contractors selected through a public procurement procedure. Construction supervision will be performed by Elektrokrajina's internal technical staff, who will also be responsible for monitoring compliance with environmental and social requirements.

WHAT IS THE PROJECT CATEGORY?

Under the EBRD Environmental and Social Policy (2024), projects are classified based on their expected environmental and social risks. This Project has been classified as *Category B*, meaning that its impacts are expected to be limited and mainly site-specific, and can be effectively reduced and managed through appropriate planning, mitigation measures and monitoring.

WHY IS THE PROJECT NEEDED?

The Project is needed because the existing electricity distribution network in Elektrokrajina's service area has been affected by prolonged underinvestment. As a result, parts of the network are ageing, require more frequent maintenance, are more vulnerable to severe weather and contribute to higher distribution losses than well-performing modern systems. Current technical losses in the distribution system are estimated at 10%, compared with below 6% in modern distribution systems.

The Project is intended to address these problems. In the long term, it is expected to:

- improve reliability and continuity of electricity supply;
- increase the network's resilience to adverse weather conditions;
- reduce technical distribution losses and improve overall system efficiency;
- support future electricity demand and new connections, including distributed renewable energy sources; and
- reduce biodiversity risks, particularly for birds, through insulated conductors and bird-protection measures.

HOW IS THE PROJECT BEING PREPARED?

Given that the Project involves rehabilitation of the existing electricity distribution network, with no new distribution corridors, substations or other new infrastructure planned, no design documentation is required at this stage.

The Project is being prepared by Elektrokrajina in line with its existing internal procedures for this type of works, in coordination with EBRD. A technical, environmental and social assessment has been carried out for the Project against relevant local legislation, as well as EU and EBRD. This helped identify the main Project benefits, possible impacts and the measures needed to manage them.

A loan agreement will be signed between the EBRD and Elektrokrajina. The agreement will include the **Environmental and Social Action Plan (ESAP)** which has been developed for the Project. The ESAP sets out the key environmental and social actions to be implemented by Elektrokrajina during Project preparation, construction and operation.

A **Project-specific Environmental and Social Management Plan** has also been developed to define the main mitigation and monitoring measures for the same Project phases. The implementation of construction-phase ESMP measures will be included as a contractual obligation for the selected contractors through the tendering and procurement documentation.

The Project disclosure package includes:

- this **Non-technical Summary (NTS)**;
- the **Environmental and Social Management Plan (ESMP)** and
- the **Stakeholder Engagement Plan (SEP)**, which explains how people will be informed and consulted.

These documents are made available so that the public can understand the Project, its expected impacts and benefits, and how concerns can be raised and addressed.

2 MAIN PROJECT IMPACTS/RISKS AND WHAT WILL BE DONE ABOUT THEM

Most negative impacts and risks are expected during construction and will mainly be temporary, localised and manageable. During operation, only minor negative impacts are expected, mainly related to biodiversity, waste management and occupational health and safety. The Project will include measures to reduce these impacts and protect people, property and the environment.

TOPIC	WHAT IMPACTS OR RISKS MAY OCCUR?	WHAT WILL BE DONE?
 Biodiversity	**During construction:** Limited vegetation clearance may be needed to access poles and replace conductors. This may temporarily disturb nearby habitats, animals and bird nests, especially during the breeding season. Minor impacts from spills, improper waste management or soil compaction may also occur. **During operation:** The Project is expected to reduce existing risks to birds through insulated conductors, bird-protection measures and safer nesting platforms where needed. However, bird collision and electrocution still may occur, and occasional vegetation management may cause minor habitat disturbance.	**During construction:** Contractors will have to follow biodiversity protection requirements under Elektrokrajina's supervision. Works will stay within existing roads, corridors and disturbed areas as much as possible. Vegetation clearance will be kept to the minimum, work and temporary storage areas will be clearly marked, disturbed areas will be restored, and poles will be checked for nests before works. Elektrokrajina already has a Bird Protection Plan which will be applied together with the relevant water, soil and waste management measures. **During operation:** Elektrokrajina will continue to manage biodiversity risks through its ISO 14001 environmental management system and regular monitoring under the existing Bird Protection Plan and related procedures.
 Water, land and soil	**During construction:** Limited impacts on water, land and soil may occur mainly during pole replacement works. Excavations for new pole foundations will be limited to individual pole locations, but they may temporarily disturb soil. At locations close to rivers or streams, accidental fuel or oil leaks, improper handling of coating materials, waste or excavated soil could reach surface water, especially during rainfall or on sloped terrain. In areas with shallow groundwater, similar issues could create a limited risk of groundwater or soil contamination. **During operation:** Minor impacts may occur only if damaged poles have to be replaced during maintenance or after extreme weather events.	**During construction:** Excavated material will be kept away from watercourses and protected from rainfall. Refuelling, maintenance, waste storage and handling of oils, paints or coatings will not be allowed near water bodies or directly on unprotected soil. Spill kits will be available and disturbed land will be reinstated. **During operation:** Maintenance works will follow the same water, soil, waste management and spill prevention measures applied during construction.

TOPIC	WHAT IMPACTS OR RISKS MAY OCCUR?	WHAT WILL BE DONE?
 Waste and hazardous materials	**During construction:** Waste will be generated from removed poles, conductors, fittings, insulators, packaging and small amounts of excavated material. Most waste is expected to be non-hazardous or recyclable. Hazardous waste may occur only if old poles or metal elements contain protective coatings or preservatives. **During operation:** Similar waste may be generated during maintenance, repairs or replacement of damaged poles, although in smaller quantities than during construction. All operational waste will be managed through Elektrokrajina's existing Waste Management Plan and handed over to authorised operators.	**During construction:** Contractors will follow Elektrokrajina's current Waste Management Plan and applicable waste management requirements. Waste will be sorted, temporarily stored in marked locations, transported to Elektrokrajina storage locations and handed over for further management. Burning, uncontrolled disposal or leaving waste at work locations will not be allowed. **During operation:** Elektrokrajina will continue applying its Waste Management Procedure and Waste Management Plan, including sorting, record keeping and handover of waste to authorised operators.
 Climate risks and extreme weather	**During construction:** Heavy rainfall, floods, storms, lightning, hail, wet snow, ice, heatwaves and wildfire risk may affect worker safety, site access, lifting works, conductor stringing, material storage and emergency response. **During operation:** The overhead network will remain exposed to extreme weather, which may cause faults, damaged conductors or poles, difficult access and temporary electricity interruptions.	**Before and during construction:** Before construction starts, Elektrokrajina will update its Plan for Protection and Rescue from Natural Disasters and Other Accidents. Contractors will prepare emergency response plans before starting works. These plans will define weather monitoring, stop-work rules during dangerous weather, and communication with Elektrokrajina and emergency services. **During operation:** Elektrokrajina will continue to regularly review, update and implement its Plan for Protection and Rescue from Natural Disasters and Other Accidents.
 Air quality, noise and vibration	**During construction:** Temporary dust, exhaust emissions, noise and limited vibration may occur from vehicles, small excavations, drilling, pole removal and installation, and conductor replacement. Given the limited scope and short duration of works at individual locations, these impacts are expected to be negligible. **During operation:** The rehabilitated MV and LV distribution network is not expected to generate air emissions or material noise and vibration.	**During construction and operation:** Good construction practices will be implemented to further minimise the impacts.

TOPIC	WHAT IMPACTS OR RISKS MAY OCCUR?	WHAT WILL BE DONE?
 Worker health and safety	**During construction:** Workers may face risks from electrical infrastructure, work at height, aerial work platforms, pole erection with hydraulic vehicles, conductor stringing, excavation, vegetation clearance, manual handling, traffic, slips, trips and falls, and extreme weather. All works will be carried out in line with Elektrokrajina's occupational health and safety (OHS) procedures. **During operation:** Maintenance workers will face the usual safety risks linked to Elektrokrajina's regular field operations. No major changes in workforce, work organisation or OHS procedures are expected, and fewer emergency faults are expected after rehabilitation.	**During construction:** All network works will be carried out in a de-energised state. Contractors will submit de-energisation requests in advance, hold toolbox talks, use fall protection and personal protective equipment, follow safe procedures for vegetation clearance, conductor stringing and road travel, and check raised poles before works continue. **During operation:** Maintenance will continue under Elektrokrajina's existing OHS system, Permit to Work procedures and safety rules.
Community safety, access and electricity interruptions	**During construction:** Local communities may experience planned electricity interruptions, usually lasting from about one hour to several hours in more complex cases. Short-term access restrictions, minor traffic disruption and limited nuisance from works near roads and settlements may also occur. Sensitive consumers, including hospitals and people who depend on electricity for medical reasons, may be more affected by interruptions. Additional risks may relate to works near roads, underground utilities and the need for emergency coordination across many active work locations. **During operation:** The rehabilitated network is expected to improve reliability and reduce unplanned outages, which will have positive effects for communities. Some temporary disruption may still occur during future maintenance or emergency repairs, including short power interruptions, traffic disruption or safety risks around damaged network infrastructure.	**During construction:** Planned interruptions will be announced in advance. Sensitive consumers, including hospitals and known electricity dependent users, will be contacted before works that may affect their supply. The same consumers will not be disconnected repeatedly on consecutive occasions – where further interruptions are required, works will be scheduled with a gap of several days to reduce inconvenience to users. Work areas will be marked and secured, access to properties maintained as much as possible and traffic arrangements coordinated where needed. **During operation:** Elektrokrajina will continue using its existing communication, on call and emergency response procedures.
 Labour and working conditions	**During construction:** Construction works will be carried out by contractors under Elektrokrajina's supervision. A large influx of workers is not expected and workers are likely to be mainly local or regional, with no need for worker accommodation. However, if not properly managed, there may be risks related to labour conditions, such as undeclared work, excessive working hours, delayed payment or lack of a worker grievance mechanism.	**During construction:** Contractors will have to comply with the Labour Law of RS and EBRD labour requirements. **During operation:** Existing labour and internal management procedures will continue to apply.

TOPIC	WHAT IMPACTS OR RISKS MAY OCCUR?	WHAT WILL BE DONE?
	During operation: No major changes in workforce or work organisation are expected. The network will be maintained by Elektrokrajina's existing field units.	
 **Cultural heritage**	**During construction:** No direct impacts on known cultural heritage are expected because works will take place on the existing electricity network and within already used corridors. However, small excavations may be needed during pole replacement, which means there is a low possibility of finding previously unknown archaeological remains. **During operation:** No cultural heritage impacts are expected from routine operation and maintenance.	**During construction:** Contractors will prepare and implement a Chance Finds Procedure and workers will be trained on what to do if they find possible archaeological remains. **During operation:** No additional operational measures are needed.
 **Land access and private property**	**During construction:** No expropriation or permanent land acquisition is required for the Project. Where poles are located on private land, Elektrokrajina already has registered easement rights. Temporary access to private land may be needed during pole replacement works.	**During construction:** During temporary access to private land, Elektrokrajina and the contractor will agree access arrangements with the landowner in advance, including timing, duration, access route and measures to avoid damage to land, crops or property. Any damage caused during works will be compensated by the contractor, under Elektrokrajina's supervision.

3 HOW CAN PEOPLE GET INFORMATION, TAKE PART IN CONSULTATIONS OR RAISE CONCERNS?

HOW WILL PEOPLE BE INFORMED AND CONSULTED?

Elektrokrajina will provide information about the Project before and during implementation. This will include (as detailed in the Project's ***Stakeholder Engagement Plan***):

- disclosure of the NTS, SEP, ESMP and Public Grievance Form in local language and a one-month period for stakeholders to review the disclosed documents;
- information on the start and expected duration of construction works, together with information on the grievance mechanism;
- advance notification of planned electricity supply interruptions, in line with the Law on Electricity of RS;
- targeted communication with sensitive consumers, including hospitals and known electricity-dependent users, before works that may affect their supply; and
- ongoing communication with the public if new concerns arise during implementation.

Project-related information will be shared through Elektrokrajina's website, local media, field units, direct communication where needed and other channels defined in the Stakeholder Engagement Plan. The disclosed Project documents will also be available on the EBRD website. Comments and feedback will be recorded, reviewed and considered by the PIU.

HOW CAN PEOPLE ASK QUESTIONS OR SUBMIT COMPLAINTS?

A Project grievance mechanism will be available to all people and organisations affected by the Project. This means that anyone will be able to ask questions or raise concerns about Project impacts.

Complaints will be recorded, reviewed and answered by the PIU. Information on how to submit a grievance will be shared publicly before construction starts and will also be displayed at construction sites and in public communication materials.

The grievance mechanism is explained in more detail in the Project's ***Stakeholder Engagement Plan***.

CONTACT INFORMATION

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