

Stakeholder Engagement Plan and Grievance Mechanism

for

ČIBUK 1 WINDFARM



Vetroelektrane Balkana d.o.o. (Wind Energy Balkan Group) / Continental Wind Partners
May 2012 (updated in February 2013)

Table of Contents

1	Introduction	3
2	Project Description	3
2.1	Project Location.....	3
2.2	Project Characteristics	3
2.3	Need for the Development.....	5
2.4	Summary of Expected Impacts	5
3	Regulatory Requirements	6
3.1	National Requirements	6
3.2	EBRD Requirements	7
4	Summary of Previous Stakeholder Engagement Activities	7
5	Stakeholder Identification and Analysis	9
6	Disclosure of Information and Stakeholder Engagement	11
7	Grievance Mechanism	11
8	Contact Details for the Public	12

1 INTRODUCTION

The Wind Energy Balkan Group, Belgrade (Vetroelektrane Balkana d.o.o., Beograd) and Continental Wind Partners, (together referenced in this document as 'WEBG') are proposing to develop the Čibuk 1 wind farm at a site approximately 30 km to the north east of Belgrade in Serbia. Effective stakeholder engagement is needed to avoid and minimise the social risks of the proposed Čibuk 1 Windfarm Project ("the Project") and to ensure that the Project has a long term social licence to operate.

This document is a Stakeholder Engagement Plan (SEP) describing the planned stakeholder consultation and engagement process for the Project. It outlines a systematic approach to stakeholder engagement that will help WEBG develop and maintain over time 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 about the Project.

The SEP has been produced in accordance with the international standards required by the European Bank for Reconstruction and Development (EBRD), and other international financial institutions (IFIs), as the Project might require financing from EBRD and potentially from other international investment banks.

The SEP is a living document and it will be regularly monitored, reviewed and updated by WEBG throughout all stages of Project implementation.

2 PROJECT DESCRIPTION

2.1 PROJECT LOCATION

The site of the proposed wind farm is located about 30 km to the north east of Belgrade in the municipality of Kovin, Autonomous Province of Vojvodina. The site covers an area of about 37 km². The location of the wind farm site is shown in Figure 1, and the proposed layout is shown in Figure 2, below.

The site is set on a slightly elevated position within generally flat to gently undulating surroundings. The land is in agricultural use and is intensively farmed. The local area is sparsely populated but the nearest village, Dolovo, is less than 2 km to the south west of the wind farm boundary, and there are weekend houses and some residences on the north eastern boundary at approximately 800 m in Devojački bunar. Road access is adequate and provides good connection to the River Danube port at Pančevo.

To the east, the proposed wind farm borders the Deliblato Sands International Bird Area (IBA), a Special Nature Reserve (SNR) and part of Serbia's "Tentative List" for inclusion in UNESCO's list of World Heritage Sites.

2.2 PROJECT CHARACTERISTICS

The Čibuk 1 wind farm will include the construction of 57 wind turbines, access roads and energy infrastructure. Each turbine will be able to produce 2.5 MW of electrical power; the wind farm will have a maximum generating capacity of 142.5 MW. The final decision on the wind turbine has been made (GE 2.5-120), and the total maximum height of each wind turbine will be 170m including the tower and the blade radius. Each turbine will have 3 blades with a maximum rotor diameter of 120m. It should be noted that the final turbine and blade dimensions may be less than this.

Čibuk 1 Windfarm
Stakeholder Engagement Plan and Grievance Mechanism

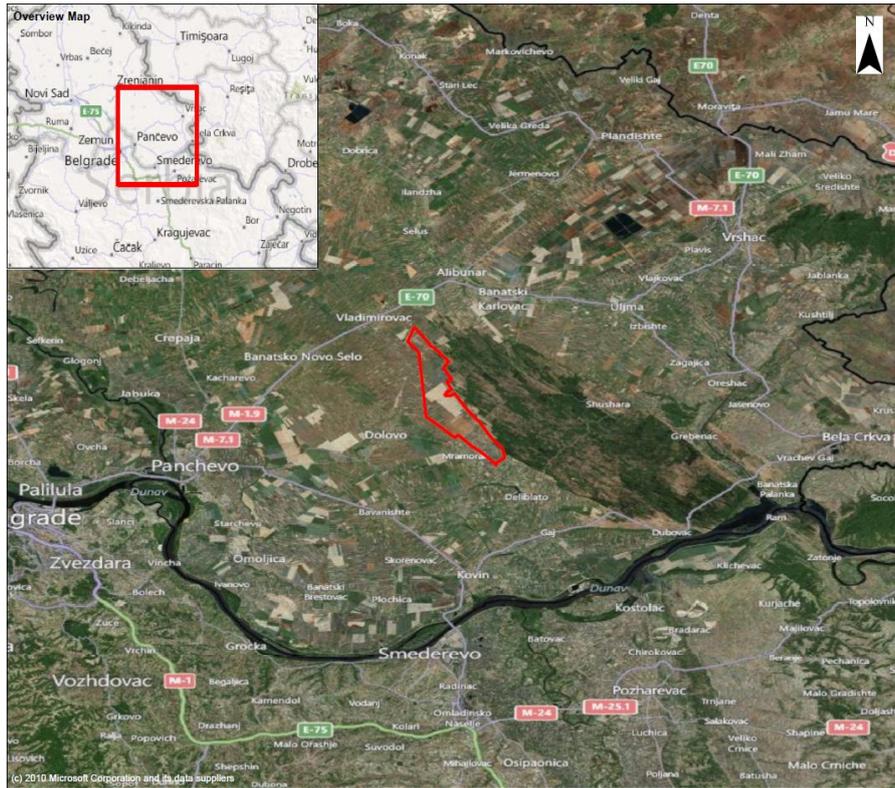


Figure 1 – Site Location

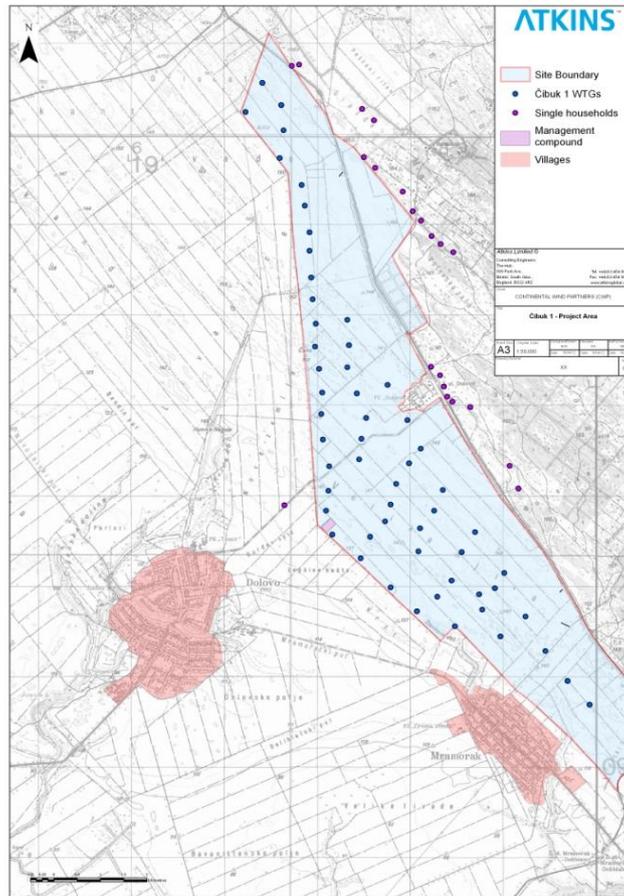


Figure 2 – Wind Farm Layout

The wind farm also includes the following infrastructure:

- areas of hard standing: each turbine would require a work area to accommodate the crane and turbine components during construction;
- underground, medium voltage electric power cables connecting the turbines with a transformer station
- transformer station (medium / high voltage), located well within the boundary of the wind farm
- 10.7 km-long high-voltage power line (400kV) connecting the transformer station and the overhead power line (400kV) at Bavanište.
- service and access roads (the length and final position of the roads to be constructed / upgraded is not yet known).

There is no requirement for a construction camp to house the construction workforce – the workforce will be accommodated locally.

Construction of the wind farm will start during Quarter 3 (Q3) of 2013 and be completed by Q4 2014. Development of roads and foundations will be undertaken between Q3 2013 and Q3 2014. Installation of the wind turbine generators (WTG) is expected to start Q2 2014. Since construction is phased, the site will be able to deliver electricity to the grid before construction of all turbines is completed. It is expected that the site will go live by Q3 2014, with construction of the overhead power line starting in Q1 2014 and being completed by Q3 2014.

The operational life time of the wind farm is expected to be approximately 25 years which is typical of the wind turbine blade life time.

2.3 NEED FOR THE DEVELOPMENT

The proposed wind farm is needed because:

- it will provide a valuable source of renewable energy for use within the country to support infrastructure development and the national building programme;
- it will reduce the need for Serbia to import energy from neighbouring countries;
- it will reduce the country's reliability on fossil fuel combustion;
- it will mark Serbia as a developing state with a commitment to reduce its Greenhouse Gas (GHG) emissions;
- it will provide local jobs and improvements, specifically during the construction programme;
- it may act as a tourist attraction to the area.

2.4 SUMMARY OF EXPECTED IMPACTS

An environmental and social impact assessment has been carried out for the three phases of the Project: construction, operation and decommissioning. Impacts have been classified as those related to ecology and nature conservation, landscape and visual impacts, traffic and transport, noise, socio-economic impacts, health safety and public nuisance, emissions to ground and water, air emissions, archeology and cultural heritage, electric and magnetic fields and electromagnetic interference.

Identified impacts can be managed and mitigated in accordance with best practice. The measures that will be adopted include informing the local population in a timely manner about construction activities and repairing any damages made to local access roads, as well as restoring any disturbed land. The implementation of the Project is requiring some land acquisition which has been and will continue to be implemented through voluntary transactions without the use of compulsory procedures.

A more detailed presentation of all project impacts and foreseen mitigation measures is presented in the Project Environmental and Social Impact Statement (ESIS) and the Environmental and Social Action Plan (ESAP), available in the following locations:

- www.wpc.rs – electronic copy
- WEBG office in Belgrade – hard copies
- Local community offices in Mramorak, Dolovo, Vladimirovac and Bavanište – hard copies.

3 REGULATORY REQUIREMENTS

3.1 NATIONAL REQUIREMENTS

Requirements in relation to public disclosure, participation and access to information kept by state bodies and organisations, as well as the right to petition state authorities and the right to a healthy environment in Serbia are prescribed by the Constitution of the Republic of Serbia (Official Gazette of the RS No. 98-2006).

Serbia ratified the Aarhus Convention in 2009, by adopting the Law on Confirming the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Official Gazette of the RS No. 38/09). The basic principles contained in this Convention are supported by other Serbian laws and bylaws, including:

- The Environmental Protection Law (*Official Gazette of the RS 135/2004 and 36/2009*)
- The Law on Environmental Impact Assessment of the Republic of Serbia (*Official Gazette of the RS 135/04 and 36/09*)
- The Law on Strategic Environmental Impact Assessments (*Official Gazette of the RS 135/2004 and 88/2010*)

These regulations require the public to be informed about and involved in all matters concerning the environment. Depending on a number of factors, including the size / scale of the project, municipal or republic level authorities in charge of environmental protection determine whether an EIA for a particular project is required. If it is required, as is the case with this Project, the same authorities are in charge of organising disclosure and public consultations in line with the Rules for Disclosure of Information, Presentations and Public Consultations Regarding EIAs (*Official Gazette of the RS 69/2005*).

Serbia also has a Law on Free Access to Information of Public Importance (*Official Gazette of the RS, No. 120/04, 54/07, 104/09, 36/2010*), which stipulates that everyone has the right to access information of public importance. Information of public importance is information held by a public authority body, created during work or related to the work of the public authority body, contained in a document, and related to everything that the public has a justified interest to know.

The Law on Planning and Construction of the Republic of Serbia (*Official Gazette of the RS 72/09, 81/09, 64/10, 24/11*) regulates the development and adoption of spatial and urban planning documents in Serbia, which are all subject to a public disclosure and consultation process. These plans are categorised as spatial plans, master plans, regulation plans, etc. Planning documents are displayed for public scrutiny after the technical review is completed and this has to be announced in a daily and local newspaper. The process is managed by the Agency for Spatial Planning of the Republic of Serbia i.e. the body of the local self-government unit responsible for spatial and urban planning. Once the process is complete, the competent authority is obliged to prepare a report containing all remarks, which is submitted to the document developer who is obliged to act upon these remarks. In the event that the remarks fundamentally change the planning document, the competent authority is obliged to instruct the document developer to prepare a new draft.

In 2005, Serbia adopted the Energy Development Strategy and in 2007 the Programme for the Implementation of the Energy Development Strategy of the Republic of Serbia in the

Province of Vojvodina. In line with these documents, Kovin Municipality contracted the development of the Study for the Utilisation of Wind Energy on the Territory of the Municipality, with the aim of securing electricity from alternative sources. All of these documents, together with the Spatial Plan of the Kovin Municipality (*Official Gazette of the Kovin Municipality No. 14/2006*) served as a basis for developing the Regulation Plan for the Infrastructural Complex for the Wind Farm Čibuk.

3.2 EBRD REQUIREMENTS

All Projects funded by the EBRD are required to meet best international practice and specifically the requirements for stakeholder engagement and public consultations, as specified in the EBRD Environmental and Social Policy of 2008.

These requirements are described in detail in Policy Requirement (PR) 10 of the Policy "Information Disclosure and Stakeholder Engagement". In summary, the EBRD considers stakeholder engagement an ongoing process which involves:

- the client's public disclosure of appropriate information so as to enable meaningful consultation with stakeholders
- meaningful consultation with potentially affected parties, and
- a procedure or policy by which people can make comments or complaints.

4 SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

Stakeholder engagement to date has focused on public consultation surrounding planning regulations, negotiations undertaken to purchase land as well as engagement with local council and community members of Mramorak, Vladimirovac, Dolovo and Bavanište, and public presentations of the environmental impact assessment.

The Regulation Plan for the Infrastructural Complex for the Wind Farm Čibuk, the Strategic Environmental Impact assessment for the Project, and Environmental Impact Assessment (EIA) were subject to a public disclosure and stakeholder consultation process in line with Serbian regulatory requirements and EBRD policies. The following stakeholders from municipal, provincial and central level government were approached for review and comments:

- Kovin municipality departments, i.e. the Fund for Construction Land, Roads, and Communal Utilisation of the Municipality of Kovin,
- Utility owners and operators as well as relevant public enterprises, i.e. "Telekom Srbija" from Belgrade and Pančevo, Public Enterprise for the Gas Distribution Affairs "Kovin Gas", Economic Society for Electric Energy Distribution "Elektrovojvodina" from Novi Sad, ED Electrical Distribution Pančevo, Public Enterprise (PE) "Elektromreža" Beograd, PE "Srbijagas" from Novi Sad, NIS "Naftagas" from Novi Sad, PE "Transnafta" from Pančevo PE "Serbian Railways", Public Waters Enterprise "Waters of Vojvodina" from Novi Sad, PE Radio Television of Serbia from Belgrade
- Institute for the Protection of Nature of Serbia, Working Unit Novi Sad
- Institute for the Protection of Cultural Monuments, Pančevo
- State level authorities, i.e. Ministry of Defence of the Republic of Serbia
- Republic Hydrometeorology Institute, Republic Seismology Institute
- Flight Control Agency, Civil Aviation Directorate
- Local Community of Mramorak
- Local Community of Dolovo
- Local Community of Vladimirovac
- Local Community of Bavaniste

All conditions and suggestions submitted by these stakeholders were acknowledged and implemented. Consultation with the Provincial Institute for the Protection of Nature (Novi Sad) had significant implications for the Project design as they requested that the turbines be

placed at a minimum of 1km from the border of the Deliblato Sands (an Important Bird Area), which was also adopted.

Both the Draft Plan and the SEIA were presented for public review for a period of 30 days from October 25th to November 25th 2010 in the Kovin Municipal Building. Objections to the Draft Plan and the Report could be submitted in writing throughout the duration of the public review. The availability of the documents were advertised in the following ways:

- On the bulletin boards of the Kovin Municipal Administration and the Local Community Mramorak.
- Published in the national daily paper “Danas” and the local daily paper “Kovin ekspres”

No complaints were registered and the Regulation Plan was adopted by the Kovin Municipality on 30th November 2010.

During the land acquisition process, WEBG and the legal team representing them met with landowners to negotiate contracts. First, meetings with all landowners were held in cooperation with Local Community Offices where the Project was presented and general contract terms and conditions were explained to landowners. After that, individual meetings were held with landowners to further negotiate and conclude either sale-purchase or easement contracts, depending on future land use.

All throughout the development of the Project, WEBG has maintained a close relationship with the Kovin municipality as well as the three most affected local communities. This is reflected through a profit sharing agreement that has been signed between WEBG and the municipality and the numerous local activities that have been sponsored by WEBG and attended by its staff members in the local communities.

In addition to all of the above, as part of the environmental and social impact assessment for the Project, a number of stakeholders were met by WEBG and the consultant team in the period June 2011 to March 2012. This included representatives of the Kovin Municipality, presidents of local communities and other members of local community councils in Mramorak, Dolovo and Vladimirovac, as well as landowners whose land was acquired for the Project by WEBG. The purpose of these meetings and interviews was, among other things, to determine if previous land acquisition was conducted by WEBG in accordance with international standards and more specifically EBRD’s Policy Requirement 5, Land Acquisition, Involuntary Resettlement and Economic Displacement. No gaps were identified in the process and all future land acquisition will be carried out in line with the provisions outlined in the ESAP.

Following the completion of the Environmental and Social Impact Assessment (ESIA) and with draft local Environmental Impact Assessment (EIA) completed, during June and July 2012, WEBG organized pre-EIA public presentations of the “Cibuk 1” wind farm. The presentations were held in the Local Community Office in the village of Mramorak (15 June 2012), in the Local Community Office in the village of Dolovo (7 July 2012), and in the Cultural Center of the Municipality of Kovin (13 July 2012). These meetings were announced in the local newspaper Moj Kovin and announcements were put up on the official notice boards of the Kovin Municipality and the affected Local Communities, as well as in the village Devojački bunar. WEBG offered to organise travel arrangements for people wishing to attend these meetings from Vladimirovac, Bavanište and Devojački bunar. Topics which were covered in the meetings:

- Project description including transport routes and expected timelines for construction and operation
- Results of the environmental and social impact assessment and proposed mitigation measures contained in the Environmental and Social Action Plan
- Planned stakeholder communication (Stakeholder Engagement Plan)
- Availability of documents (ESIS, ESAP, SEP) and submission of comments
- Project grievance mechanism (contact details of the WEBG grievance officer)
- WEBG’s Social Investment Programme.

In total, 58 people attended the presentations.

Finally, as of January 2013, WEBG organized meetings with the Local Communities of Vladimirovac, Mramorak and Dolovo to present its Social Investment Programme and decide which local initiatives will be supported in 2013.

5 STAKEHOLDER IDENTIFICATION AND ANALYSIS

WEBG has identified stakeholder groups that may be affected by and/or interested in the implementation of the Project, as well as proposed communication methods and media for each group, presented in Table 1.

Table 1 Project Stakeholders

Stakeholder/s	Type of Communication and Proposed Method	Responsibility	Timing
External stakeholders			
People residing (or using land) and owners of businesses operating in Project affected areas where land has been or will be acquired, as well as areas expected to be impacted by transportation. This includes areas of local communities Mramorak, Dolovo, Vladimirovac and Bavanište, as well as residents and weekend house owners in Devojački bunar.	Information delivered to residents / businesses using the land or operating in areas affected by the Project, through community meetings, as well as public notice boards (in municipality Kovin and in local communities – Mramorak, Dolovo, Vladimirovac and Bavanište) and safety signs. Local media (newspapers Kovin ekspres and Moj Kovin and radio Pančevo) ESIS, ESAP and SEP published on the WEBG website (www.wpc.rs)	WEBG Development Team	After completing the draft ESIS – planned consultation meetings from mid June to mid July – <i>exact dates, times and venues available in the following section</i> Throughout the implementation of the Project, as appropriate
Users of private and public land that will be disturbed during the transport and installation of WTGs.	Public meeting to explain the construction process and its impacts on land as well as the planned compensation measures and how they will be executed. Announced in public notice boards (in municipality Kovin and in local communities – Mramorak, Dolovo, Vladimirovac and Bavanište) and in local media (newspapers Kovin ekspres and Moj Kovin, radio Pančevo and TV Vojvodina)	WEBG Development Team in consultations with WBEG communication experts	At least 6 months prior to commencement of construction activities
Local community representatives (presidents) – Mramorak, Dolovo, Vladimirovac and	Regular communication by phone or through meetings, project progress updates and	WEBG Development Team	All Project phases

Čibuk 1 Windfarm
Stakeholder Engagement Plan and Grievance Mechanism

Stakeholder/s	Type of Communication and Proposed Method	Responsibility	Timing
Bavanište	reports		
Local municipal authorities (Kovin, Pančevo City, Alibunar), including departments in charge of environmental protection	Official correspondence and meetings, project progress updates and reports Permitting procedures	WEBG and CWS senior management	Prior to commencement of construction activities and during implementation
Cadastral municipality Mramorak, Dolovo and Bavanište	Official correspondence and meetings, to acquire information on owners / users of land that needs to be further acquired for the Project.	WEBG Development Team	All Project phases
WEBG senior management	Regular reporting on project progress, impacts and undertaken measures	WEBG Development Team	Throughout the implementation of the Project
Interested NGOs and other organisations ¹	Local media (newspapers Kovin ekspres and Moj Kovin and radio Pančevo ESIS, ESAP and SEP published on the WEBG website	WEBG Development Team	Throughout the implementation of the Project
Relevant national and provincial level authorities for example: <ul style="list-style-type: none"> Ministry for Infrastructure and Energy Ministry of Environment, Mining and Spatial Planning Provincial Secretariat for Urbanism, Construction and Environment 	Official correspondence and meetings, progress reports Permitting procedures	WEBG and Continental Wind Serbia (CWS) senior management	During project design, construction and implementation
Institute for the Protection of Cultural Monuments in Pančevo	Official correspondence and meetings Permitting procedures	WEBG Development Team	During project design
Internal stakeholders			
WEBG employees	Bulletin board Grievance procedure Code of conduct	WEBG and CWS senior management	Throughout the implementation of the Project
Temporary construction workers and subcontractors	Information in contract, bulletin board, training. Grievance procedure. Code of conduct	WEBG senior management	Upon the selection of subcontractors and during construction

¹ Organisations specifically interested in the Project were not encountered during the due diligence process. Upon the disclosure of information about the Project, some NGOs or other organisations may show an interest and if so, they will be added to this list of stakeholders.

6 DISCLOSURE OF INFORMATION AND STAKEHOLDER ENGAGEMENT

The ESIS, ESAP and SEP will be published on the WEBG official website, (www.wpc.rs) in Serbian and in English. Recognising the multicultural environment in which the Project will operate, WEBG will also provide translations of documents or document sections into minority languages spoken in parts of the Project affected area, i.e. Romanian, if such requests are received.

WEBG managers and staff will cooperate with relevant local municipal authorities and departments during project design and throughout the implementation of each Project component. Regular meetings will be held to discuss any issues and progress reports will be submitted by WEBG.

WEBG with the assistance of local municipal authorities and local community councils will ensure that the local population, particularly residents and businesses living or operating in the vicinity of the Project or using land which may be affected are informed about the project. This particularly pertains to the start up of construction activities and expected impacts.

An EIA was also developed based on the findings of the ESIS and submitted to the relevant Serbian authorities during July 2012. A public consultation process, as defined by The Law on Environmental Impact Assessment of the Republic of Serbia (*Official Gazette of the RS 135/04 and 36/09*) and the Rules for Disclosure of Information, Presentations and Public Consultations Regarding EIAs (*Official Gazette of the RS 69/2005*) were held during August and September 2012 to present the EIA. The EIA was adopted in November 2012.

A meeting will be held with owners and users of private and public land that will be disturbed during construction for the transport and installation of WTGs, at least 6 months before construction begins. The topics to cover will include evaluation of crop and other damages, mechanism for making claims and receiving payment, any land use restrictions as well as expected difficulties in accessing land plots during road upgrades.

WEBG will develop annual environmental and social reports which will describe Project impacts, undertaken mitigation and enhancement activities and a summary of processed external grievances. These reports will be posted annually on the WEBG website and will be provided to all interested stakeholders, including the EBRD.

WEBG has been supporting numerous development opportunities and activities in the affected local communities and at the national level. Starting from 2013, WEBG will be implementing a Social Investment Programme, which is described in more detail in the ESIS.

7 GRIEVANCE MECHANISM

WEBG and the Contractor(s) will receive and consider all comments and complaints associated with the Project. A sample of the Project Public Grievance Form is provided at the end of this document (Appendix A). Any person or organisation may send comments and/or complaints in person, by phone or via post or email using the contact information provided at the end of the document.

All comments and complaints will be responded to either verbally or in writing, in accordance with the preferred method of communication specified by the complainant, 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 of receiving the grievance. Individuals who submit their comments or grievances have the right to request that their name be kept confidential.

WEBG will monitor the way in which grievances are being handled by the Contractor(s) and ensure they are properly addressed within deadlines specified above.

WEBG will keep a grievance log of all grievances (including those received and addressed by the Contractor(s), based on which grievance management reports will be produced and included in the annual environmental and social reports, posted on the WEBG website and submitted to interested stakeholders including the EBRD.

In cases when the complainant is not satisfied with the way his / her grievance has been responded to or handled and re-submits it, WEBG will invite representatives of the relevant local community to participate in the process so that a mutually agreed solution is identified and implemented. At all times, complainants are also able to seek legal remedies in accordance with the laws and regulations of the Republic of Serbia.

A separate, internal grievance mechanism is available for WEBG employees and will also be made available for contracted workers, once they begin working.

8 CONTACT DETAILS FOR THE PUBLIC

Vetroelektrane Balkana d.o.o.
Contact person: Slobodan Perovic
Tel: 011 / 758 0100
Mob: 060 / 644 0078
E-mail: serbia@continentalwind.com
Web address: www.continentalwind.com

Contact details of the Contractor(s) could not be added at the time when this version of the SEP was being developed and will be added subsequently, when the Contractor(s) have been identified.

APPENDIX A

Complaints Sample Form

Reference No:	
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: _____
	<input type="checkbox"/> By E-mail _____
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:

Vetroelektrane Balkana d.o.o.
 Contact person: Slobodan Perovic
 Tel: 011 / 758 0100
 Mob: 060 / 644 0078
 E-mail: serbia@continentalwind.com