DRAFT FINAL ESIA REPORT

CHAPTER VII – ENVIRONMENTAL AND SOCIAL MANAGEMENT AND MONITORING PLAN (ESMMP)

for the 400 kV power transmission line from Lithuania-Poland state border to Alytus substation

SWECO

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NOTE: This Chapter is an integral part of the Draft Final ESIA Report for ths Project, and is not intended as a stand-alone document.

TABLE CONTENTS

VIII ENVIRONMENTAL AND SOCIAL MANAGEMENT AND MONITORING PLAN (ESMMP)

Note: The technical description of the Project in this Draft ESIA Report is based on the current project stage, which is not yet finished. Therefore, minor changes to the technical details may occur in the future compared to the current edition of the document. Any substantial changes will be reflected in the final version of this Report.

1. ESMMP BACKGROUND

This section comprises the Environmental and Social Management and Monitoring Plan (ESMMP) for the EISA of the Project. It summarises the organizational requirements, actions and monitoring plans to ensure that necessary measures are taken by Lietuvos energija, AB to avoid potentially adverse effect – and maximise potential benefits – of the Project with respect to environmental, health and safety (H&S) and social aspects, and to operate in conformance with applicable laws and regulations of Lithuanian Republic, as well as the policies of international financial organizations, major relevant policies are identified bellow:

- IFC Performance Standards on Social and Environmental Sustainability, 2007, particularly Performance Standard 2 on Labour and Working Conditions,
- EBRD Environmental and Social Policy, 2008,
- ILO Best Practise Guide "Safety and Health in Construction" ILO-OSH (2001),
- Recommendation Concerning the List of Occupational Diseases and the Recording and Notification of Occupational Accidents and Diseases (ILO Recommendation 194).

The primary objective of the mitigation measures outlined is either to avoid negative impacts of the Project, or to reduce. The ESMMP makes a long-term (life-cycle) forecast of the Project and comprises of 4 (four) major stages:

- Planning (preconstruction) stage,
- Construction,
- Operation,
- Decommissioning.

The ESMMP consists of a combination of operational policies, procedures and practises. Overall responsibility for the ESMMP lies with Lietuvos energija, AB, although number of activities will be carried out by the Contractors. Therefore the Contractor’s activities will have to be supervised by Lietuvos energija, AB.

The ESMMP is thus divided into two sections:

1. General requirements for Lietuvos energija, AB with respect to the organisational measures.
2. Specific requirements with particular mitigation topics and precautions identified.

2. TASKS TO BE UNDERTAKEN BY LIETUVOS ENERGIJA, AB

Lietuvos energija, AB will need to undertake a number of measures throughout the Project to ensure successful implementation of the ESMMP. For each topic major "Key Performance Indicators" are listed that will permit objective confirmation of the implementation of the measure.

2.1. ORGANIZATIONAL CAPACITY

Lietuvos energija, AB must establish and maintain an organisational structure that specifies roles, responsibilities and authority to implement the ESMMP. This must encompass at least the following aspects:

- Designation of a Senior Manager with overall responsibility and one or more Managers with day-to-day responsibility for specific areas or stages of the ESMMP, including management of various Contractors.
- Assign necessary human and financial resources on an ongoing basis throughout the Project to achieve effective and continuous conformance with the ESMMP.
- Communication of the commitment, roles and related responsibilities to the Project teams, the public and the stakeholders by preparing a program of training of employees involved in the Project with respect to the social and environmental aspects of the Project and the specific relevant obligations under the ESMMP.

Key Performance Indicators for Organisational Capacity:

- Publication of management commitment and delegation of roles and responsibilities on the Lietuvos energija, AB project web-site,
- Written confirmation of in-house trainings of Project employees regarding social and environmental awareness and ESMMP implementation.

2.2. CONTRACTOR MANAGEMENT PLAN

Whilst Lietuvos energija, AB has overall responsibility for the Project and implementation of the ESMMP, much of the work will be done by various contractors engaged by Lietuvos

energija, AB. These include design companies, investigators and permitting specialists in the Planning Stage and especially the Construction Contractor for during the Construction Stage. Thus it is important for Lietuvos energija, AB to implement procedures in a Contractor Management Plan to ensure that the Contractors are fully aware of the relevant ESMMP issues and similarly committed as is Lietuvos energija, AB to the successful implementation of the ESMMP.

The main requirements for the future Contractor Management Plan:

- Designation of senior manager responsible for the Contractors,
- Management Plan (or appropriate sections relevant for the Project Stages),
- Training sessions for the Contracting/Procurement Department of Lietuvos energija, AB regarding the ESMMP requirements for Contractors,
- Specific ESMMP related provisions to be included in the tender documents,
- The bidding contractors' capacity to meet the ESMMP requirements (i.e. sufficient skills and experience) must be included in the award-decision criteria,
- Each contract will include requirements regarding the relevant environmental and social risks and ESMMP requirements associated with the contract activities and will include appropriate non-compliance remedies. Subcontractors must be a subject to similar obligations as the main contractor,
- The contractor will be obliged to provide all necessary skilled and trained staff to ensure that all activities are carried out in accordance with the Lithuanian regulations, international policies and this ESMMP. Potential risks at work places have to be assessed (chemicals, mechanical impacts, electricity safety, heights, etc.),
- The contractor will be obliged to continuously prove appropriate skills, qualification and/or working experience of his staff and subcontractors to the Supervisor from Lietuvos energija, AB.
- Construction personnel will receive comprehensive H&S training at the beginning of an appointment, thereafter on a regular basis throughout the entire construction period, special attention and safety procedures must be addressed with regards to temporary and young employees at the construction site,
- In case foreign companies are contracted and significant numbers of foreign workers are involved in the Project, special attention must be paid to meet the requirements of both local and foreign labour laws and regulations,
- Lietuvos energija, AB will continuously monitor the performance of the contractors with respect to ESMMP requirements.

Key Performance Indicators for Contractor Management:

- Publication of delegation of roles and responsibilities in the project web-site regarding Contractor Management ,
- Confirmation in written re in-house training of the Procurement specialists regarding ESMMP implementation,
- Examples of the tender specs and contracts with specific reference to and requirements from the ESMMP topics,

2.3. ANNUAL ESMMP PERFORMANCE MONITORING AND REPORTING

The Project is considered by the EBRD as a "Category A" Project and thus Lietuvos energija, AB will be obliged to retain qualified specialists to undertake periodic monitoring/audits throughout the period of EBRD involvement with the Project. Based upon previous project experience an initial ESMMP Audit should take place within six months of the start of each new Project Stage (Planning, Construction, Operation & Maintenance, Decommissioning). Subsequent audit schedule must be based on the results of the initial audit and must be conducted at least annually. The Audits must address the performance of both Lietuvos energija, AB and Contractors/Subcontractors.

The ESMMP Audit results must be documented and forwarded for review to the senior responsible person at Lietuvos energija, AB and the EBRD; also, in accordance with EBRD policy on Information Disclosure[1] the Audit results must be disclosed to the relevant parties/stakeholders affected by the ESMMP.

In accordance with the results of the audit there may be necessary to review the original ESMMP to better reflect the changing situation with the Project implementation and/or the social, environmental or regulatory framework conditions.

Key Performance Indicators for ESMMP Monitoring:

- Engagement of a qualified external expert to undertake the initial and periodic ESMMP Audits,
- Application of the initial ESMMP Audit Report to EBRD after approx. six months from the completion of the ESIA Report and
- Application of (at least) annual ESMMP Audit Reports and distribution of the results to all affected stakeholders.

[1] EBRD 2008 Policy – PR 10

2.4. COMMUNICATION AND GRIEVANCE PROCEDURE

Lietuvos energija, AB will develop and implement a Public Communication Program to provide ongoing information to the affected Stakeholders and public about the key relevant environmental and social aspects throughout the future Project execution (including construction and operation). This Program will build upon the Stakeholder engagement process and Stakeholder Engagement Plan (SEP) already established as part of this ESIA Report. The basis for this Program will be outlined on the project website and some extra publicity measures (mass media, bulletins, brochures, direct mailings, etc.).

Special attention must be paid to timely and appropriately inform local villages and land users prior to and during the construction activities (directly by Lietuvos energija, AB and/or the Construction Contractor).

- At a minimum, Lietuvos energija, AB will provide information on an annual basis to the local villages to keep them abreast of the Project schedule and what/when/where activities are planned.
- Specific information will also be provided on adhoc basis should there be significant changes in the Project planning that may strongly affect certain Stakeholders, e.g. local re-alignment of the route, or revisions in local construction schedule.

Lietuvos energija, AB might also establish an information “hotline” (phone), mail and email to facilitate communication with the public and Stakeholders. At this moment LitPol Link Sp. z.o.o. company is assigned to manage and run the project with Jaroslav Neverovič (Presidenti of the Management Board) ahead. Communication officer will be assigned later in the project, probably the head of the communication department of Lietuvos energija, AB.

Provision of information will go in line with the Grievance Procedure which starts in the ESIA stage (as described in SEP). Grievance Procedure (sometimes also called Grievance Mechanism) provides Stakeholders a way to formally register any complaints/grievances to Lietuvos energija, AB about any part of the process of the Project implementation (incl. construction and operation). Examples of Grievance issues may include items such as:

- Damage to crops during tower construction,
- Unexpected corona noises during TL operations.

LitPol Link Sp. z.o.o. is currently responsible for handling of grievances with the help of the planning Consultant. The Grievance Procedure will be updated throughout the Project and subsequent operational stage. Construction Contractor will be required to implement a “Quick Response” procedure to react as efficiently and directly as possible to urgent Stakeholder

concerns in the field, i.e. without necessity to go through the formal Grievance process with Lietuvos energija, AB.

Should the need arise Lietuvos energija, AB will consider the establishment of a conflict resolution "committee" (comprising of Lietuvos energija, AB representatives, village council representatives and other persons as appropriate) for the management of complex grievance issues. Grievance Procedures and the conflict resolution committee are meant to quickly and effectively respond to Stakeholder and public concerns on a direct basis, thus avoiding the need for escalation of the issue to the administrative-judicial bodies[1].

Grievance statements may be provided via letter, email, fax, or telephone call. Lietuvos energija, AB will maintain a log of grievances received and the manner in which the issues have been handled.

Summary of the Grievance issues will be included in the annual reporting of project implementation on the Project Website, whilst maintaining the confidentiality of individual persons/Stakeholders involved.

Key Performance Indicators for Communication and Grievance Procedures:

- The Public Communication Program explaining the Grievance Procedure is elaborated and published on the project website.
- “Quick Response” procedure agreed with the Contractor (to be able to respond to urgent issues directly on field) and published on the project website.
- Local residents and other stakeholders are aware of the Project and in particular the schedule of activities most likely to affect them (e.g. local construction dates).
- Annual Reports are published on project website including the report of the project progress and the summary of the Grievance Procedure.

3. SPECIFIC MITIGATION ITEMS

Mitigation measures are specified for each stage of the Project are listed in Annex 1. Following information is provided in every record:

- Key activities/aspects which might be the cause of a potential impact,
- Potential significant (negative) impacts of the activities,
- Recommended mitigation precautions,
- Key Performance Indicators to confirm the mitigation applied,

[1] Nevertheless, these Procedures do not replace or impede the right of the Stakeholders to seek formal redness.

- The extent of impacts (after mitigation precautions are applied).

ANNEXES

ANNEX 1

ENVIRONMENTAL AND SOCIAL MANAGEMENT AND MONITORING PLAN (ESMMP)

General Notes:

All instructions listed bellow will be transferred by Lietuvos energija, AB to the contractual provisions specified for the Construction Contractor and other third parties and will require approval by Lietuvos energija, AB to ensure the requirements were followed appropriately. Implementation Supervision will be provided by Lietuvos energija, AB, directly or with the help of third-party Consultants.

Plans and measures are subject to revision for performance improvement if monitoring reveals weaknesses in implementation. Implementation of instructions will be benchmarked against key performance indicators. All activities related to construction and operation will be subject to inspection by the responsible Lithuanian authorities and regular monitoring visits by the environmental and social specialists from Lietuvos energija, AB.

Plans refered to in the ESMMP might be prepared separately or as a single document.

Environmental and Social Management and Monitoring Plan (ESMMP)

I PLANNING-DESIGN STAGE

ID	Activity	Potential Impact	Mitigation / Management	Responsibility for implementation
P1	Crossing of open water	Shore erosion	In the planning (special plan) and (technical) design stages: - construction of pylons and cutting of forests is prohibited in the shore protection belts, - clear cutting of trees and bushes on the slopes exceeding 10° is prohibited in the protection zones of water bodies, - mechanical destruction of plant cover of natural bogs is prohibited Towers of the power transmission line will not be located in the protection belts of surface water bodies. Construction sites will not be located near water bodies or within their protection belts.	Planner, Designer
P2	Construction in the bird-sensitive areas	Disturbance of birds during construction	In the (technical) design stage apply restrictions to construction period from April to July (bird breeding period).	Lietuvos energija, AB, Designer
P3	Construction in the areas with sensitive flora habitats	Impact to the flora habitats	Towers of the power transmission line will not be located in the areas where valuable flora is situated. Transportation should enter the areas where valuable flora is situated as seldom as possible during the construction or operation of the OL. Construction sites will not be located near areas where valuable flora is situated.	Planner, Designer
P4	Construction in the areas with sensitive fauna habitats	Impact to the fauna habitats	Towers of the power transmission line will not be located in the areas where valuable fauna is situated. Transportation should enter the areas where valuable fauna is situated as seldom as possible during the construction or	Planner, Designer, Lietuvos energija, AB

ID	Activity	Potential Impact	Mitigation / Management	Responsibility for implementation
			burrows close to the ground surface. If works are carried out in spring or summer every day prior to starting work an expert in living nature should inspect the section and move away any hedgehogs, hares etc. found.	
P5	400 kV line is located near existing protected areas	Potential impact on habitats of the protected area	Avoid entering the protected areas. Investigate possible indirect impact to the habitats of the protected areas and select the option with the least potential impact.	Planner, Lietuvos energija, AB
P6	Land acquisition for the overhead power transmission line	Temporary loss of income and decrease in land value	During the pre-construction phase: - acquire the list of all affected landowners, - estimate the compensation for the damage, - inform land plot owners via registered mail, - put effort to meet and convince every land owners to take the compensation offering a bit higher compensation compared to the actual damage, - compensate the agreement costs	Planner, Lietuvos energija, AB
P7	Private property temporarily used for access roads, construction works, assembly of pylons, unwinding of cables, construction camps, etc.	Temporary loss of income	Evaluate the costs in the Technical Design. Necessity to negotiate the land owners must be included in the Terms of Reference of the Construction Contractor Contract.	Construction Contractor, Lietuvos energija, AB
P8	EMR emissions from the overhead power transmission line	Health effects on humans if line is too close to residential areas	Ensure adequate sanitary protection zone is established. When local conditions allow locate the line at distances larger than the sanitary protection zone.	Planner
P9	Overhead power transmission line close to archaeological, cultural heritage areas	Visual disturbance of esthetical value of the sites, possible violation of	Towers of the power transmission line will not be located in the areas where cultural heritage is located or visual protection area is established without the approval of the appropriate state	Planner, Designer, Lietuvos energija, AB

II CONSTRUCTION STAGE

ID	Activity	Potential Impact	Mitigation / Management	Responsibility for implementation
C1	The construction quality (environmentally and socially)	Potential contamination of soil/surface, water/groundwater; soil erosion, decrease in ambient air quality (dust) during construction works.	Construction's Site Manager.has to be designated and Construction site Management Plan prepared evaluating: - spill prevention, - soil handling and storage (piling earth, restore of earth after foundation works, etc.) - handling and storage of the construction materials, - handling and storage of the hazardous materials, - construction waste management, - vegetation management (avoiding or reducing the cutting of ecologically valuable tree/bush vegetation near shores of open waters, rivers, fields and canals), - construction site closure, - forest cutting and wood management (wood belongs to the land owners and has to be preserved for them)	Lietuvos energija, AB (to tr the requirements to the co with the Construction Cont and further supervision) Construction Contractor
C2	Construction activities according to the pre-planned time schedule in sensitive bird, flora and fauna areas (see P2-P4),	Disturbance, temporary or permanent damage during construction.	Avoid construction during bird breeding period from April to July. Consult bird, flora and fauna experts when preparing the construction schedule. When allocating temporary areas (for access roads, construction works, assembly of pylons, unwinding of cables, construction camps, etc.) a bird, flora and fauna experts must be consulted.	Lietuvos energija, AB/ Construction Contractor

ID	Activity	Potential Impact	Mitigation / Management	Responsibility for implementation
C4	Traffic movement, piling during pylon foundation construction	Dust generation, traffic fumes, noise	Limit traffic activity after working hours. If residential areas are near and might be subject to dust pollution, use water spraying at the construction site.	Construction Contractor, Lietuvos energija, AB
C5	Temporary accommodation of the work force	Potential for conflicts with local population when/if worker camp(s) are established near local settlements	Hire local employees if possible so there is no need to establish camps of these camps and the number of workers is very small. Mitigate the conflicts avoiding the camps and housing the workforce in larger towns and transporting them to the construction site on a daily basis	Construction Contractor
C6	Health and Safety issues during construction	Risks of accidents during construction (e.g. falling from heights, handling of heavy materials etc.)	Construction Health and Safety Plan must be prepared including: - risk-assessment of the workplaces, - personal protective equipment needed, - construction workers training and awareness, - working at great heights and confined spaces, - addressing public health and safety, noise, vibration and dust. Emergency Preparedness Plan must be prepared to adequately respond to accidents.	Construction Contractor (preparation and implemen of the plans) Lietuvos energija, AB (supervision)
C7	Construction traffic safety on- site and off-site	Traffic accidents on and off site affecting health and safety of public and workers, also property	Construction Traffic Management Plan: - traffic routes and peak management, - traffic restrictions (speed limits (installation of appropriate signs), no alcohol, etc.) - training of personnel - installation of warnings and safety alerts nearby the construction site.	Construction Contractor (preparation and implemen of the plans) Lietuvos energija, AB (supervision)

III OPERATION STAGE

ID	Activity	Potential Impact	Mitigation / Management	Responsibility for implementation
O1	Repair and maintenance of the overhead power transmission line	Destruction/loss of bird markers, sensitive flora and fauna areas. Damage to soil layer.	Overhead power transmission Line Maintenance Plan must be prepared to address sensitive areas in a different way. If maintenance is contracted, Terms of Reference for the contractor must contain obligation to follow the Line Maintenance Plan.	Lietuvos energija, AB
O2	Motor vehicles used to access towers during repair and maintenance of the TL	Damage to crops and local property by the vehicles	Compensation for valid claims, case by case decision on compensation.	Lietuvos energija, AB
O3	Health of population near the overhead power transmission line	Health effects on humans if norms exceeded on working times within the SPZ	Distribute info brochures on EMR safety-maximum working times to all land users along TLs annually Information of local public by newspapers: status of current research (if any new), safe exposure times for adults working beneath the lines, information that children should be kept out of sanitary protection zone risks from climbing the towers, electrocution (e.g. by trying to steal equipment), tower toppling in case nuts and bolts are stolen an integrated 30 m wide protection and sanitary protection zone is provided for the OPTL; it is recommended that a sanitary protection zone at the distance of 16-160 m from the transformers and filters is established for the Alytus TS upon reconstruction and extension and the new back-to-back converter and the 400 kV. Appropriate compensations to residents for losses incurred in connection with the Planned Economic Activity and the imposed restrictions on the use of land plots are ensured. Personnel employed for maintenance of power lines should raise	Planner