

WEBG SOCIAL INVESTMENT PLAN

ANNUAL REPORT - 2014

1. Introduction

The Program for supporting local community initiatives (Social Investment Plan), implemented by WEBG (Wind Energy Balkan Group), was primarily focused on fostering cooperation with both the Local Communities (MZs) where the project “Čibuk 1” will be implemented and the representatives of their local governments with objective to support local economic and social development of the three villages and two towns of Alibunar and Kovin. The program was actively promoting the following principles and core values: sustainable development, transparency, cultural diversity, human rights, social freedoms and antidiscrimination in all personal and social aspects.

2. Background and rationale

WEBG and Continental Wind Serbia (CWS) from the very beginning of their activities in Serbia have been directing all their socially responsible efforts through the Local Communities and local governments. CWS and WEBG have so far been supporting numerous local initiatives, festivals, sport clubs and events, competitions and other activities. In addition to this, CWS and WEBG have invested considerable resources in order to support initiatives at the state level, promoting the rule of law and transparency as the basis of sustainable development of Serbia in the economic, political and social sense.

As of 2013, CWS and WEBG have been carrying out the Program for support of social initiatives in a programed and organized manner, supporting many activities in three communities located near the site of “Čibuk 1” windfarm – Mramorak, Dolovo and Vladimirovac, focusing, but not limiting on:

- Small projects for development of infrastructure;
- Improving quality of public services in local communities;
- Education and sport;
- Support to vulnerable groups (old people, disabled persons, youth and children);
- Preservation of environment;
- Promotion of local customs and tradition.

WEBG allocated and adopted the annual budget of €21,000 for funding local initiatives in 2014. The budget was divided into three parts to be allocated depending on the expected effects of the “Čibuk 1” project on each of the three local communities during 2014. Thus, the funds were allocated as follows:

- Local community Vladimirovac – €10,000
- Local community Dolovo – €6,000
- Local community Mramorak – €5,000.

3. Selection Process

Initially, in January 2014, WEBG representatives informed Local Community and local government officials in Vladimirovac, Dolovo, Mramorak, Alibunar and Kovin about the Social Investment Plan basic principles, values and process, and provided information on the total amount that each community may receive. On January 22, 23 and 24, 2014 WEBG organized meetings for all interested citizens, associations and organizations giving them opportunity to submit their proposals and suggestions about projects to be supported.

Local Community of Vladimirovac – Meeting held on January 22nd. In addition to local community and municipality representatives Zoran Maksimović and Predrag Belić, and WEBG representatives Slobodan Perović and Aleksandar Andjić, the following local associations and organizations were present:

1. Association of Farmers and Producers "Vladimirovac" – Ms. Vasilisa Mariniku
2. Hunting Association "Fazan" – Mr. Jovan Gajić
3. Association of Citizens "Novi Dan" – Mr. Danijel Kišmarton
4. Man's Handball club "Vladimirovac" – Mr. Dejan Lazić
5. Association of Farmers "Vladimirovac" – Mr. Jonel Belu
6. Hospital and Pharmacy "Alibunar" – Mr. Stevan Penca
7. Volunteer Fire Department "Vladimirovac" – Mr. Ilija Rosu
8. Artistic Association "Bunari" – Ms. Mira Kalinić
9. Artistic Association "Armonia" – Mr. Bukur Benoni
10. Women's Association "Vredne ruke Banata" – Ms. Iljana Belu
11. Library "Vuk Karadzic" Vladimirovac – Ms. Koviljka Maksimović
12. School of football "Vladimirovac" – Mr. Zoran Maksimović
13. Elementary school "Prvi maj" Vladimirovac – Mr. Petar Glanda
14. Karate club "Vladimirovac" – Mr. Miloje Pavlović

Local Community of Dolovo – Meeting held on January 23rd. The Local Community was represented by Branko Pavlov and Nikola Radonjin and, besides WEBG representatives Slobodan Perović and Aleksandar Andjić, the following local organizations were present:

1. Women's Association "Dolovke" – Ms. Dragana Marić
2. Winemakers Association "St. Trifun" – Mr. Bogdan Ankučić
3. Moto club "Ghost Riders" – Mr. Vladimir Subin
4. Volunteer Fire Department "Dolovo" – Mr. Goran Ilić
5. Man's Handball club "Dolovo" – Mr. Petar Milenković
6. Football club "Dolovo" – Mr. Steva Milosavljević
7. Women's Handball club "Dolovo" – Mr. Nikola Radonjin
8. Local Community Office Dolovo – Mr. Branislav Pavlov
9. Hunting Association "Dolovo" – Mr. Jugoslav Brzovan
10. Horse club "Dolovo" – Mr. Saša Popov
11. Public Utility Company "Dolovi" – Mr. Dragoslav Radivojev
12. Elementary school "Aksentije Maksimović" – Mr. Predrag Bogatinčević
13. Local Festival Organization "Ivanjsko cvece" – Mr. Željko Ivković
14. Association of Young Farmers "Dolovo" – Mr. Tresa Radonjin

Local Community of Mramorak – Meeting held on January 24th. The local community and municipality of Kovin were represented by Djordje Davidović and Nada Rovčanin. WEBG was represented by Slobodan Perović and Aleksandar Andjić. The following local organizations were present:

1. Red Cross Organization Mramorak – Ms. Dobrila Krajišniković
2. The Romanian Orthodox Church – Mr. Viktor Simulj
3. Football club "Proleter" – Mr. Branko Cvetković
4. Volunteer Fire Department "Mramorak" – Mr. Milutin Novosel
5. Horse club "Mramor" – Mr. Sava Jovanov
6. Scout Organization "Beli bor" – Mr. Stevan Bela
7. Artistic Association "Mramorak" – Goran Vujović
8. Local Community Office Mramorak – Mr. Djordje Davidović
9. Football Association of Kovin – Mr. Zdravko Kirilov

In line with the Project Application Form, all project proposals to be supported by the WEBG Social Investment Plan should include:

1. Name of local community that proposes activity and necessary contacts;
2. Description of the proposed activity;
3. Duration of activity and the period of realization;
4. Budget per item;
5. Reasons why the proposed activity would contribute to local development and/or other desirable social objectives;
6. Other relevant information.

Following these public meetings, WEBG, Local Community Councils and local government officials met on January 30th (Dolovo), February 4th (Vladimirovac) and February 7th (Mramorak) to evaluate received proposals and decide on the projects to be supported.

The final decision on projects to be financially supported was made in accordance with the principles stated in the Social Investment Plan and on the basis of past experience acquired during cooperation in the previous years (for example, if a project was sponsored during previous years and the organization which implemented the project failed to submit final report on costs and results of the project, that organization has not been taken into consideration for the ongoing year).

Lists of successful project proposals containing short description of activities with name, location, expected period of implementation and budget were published on the website of the "Čibuk 1" Project and on local community noticeboards.

4. Outputs and Results

In total, 27 projects were supported in 2014 and the money was allocated as follows:

- 4 projects in Vladimirovac in total value of 1.160.000,00 dinars (cca €10,000)

- 16 projects in Dolovo in total value of 700.000,00 dinars (cca €6,000)
- 7 projects in Mramorak in total value of 580.000,00 dinars (cca €5,000).

All projects were implemented during 2014, and all final reports and financial statements were provided to WEBG in a timely manner. Local community staff provided support during the implementation of these projects and WEBG representatives were present at most of these events.

VLADIMIROVAC

| Project Title | Organization/CSO | Timeframe | Total Budget: 1.160.000 RSD |
|--|---|-----------------------------------|--------------------------------|
| Purchase of 12 desk top computers for pharmacy | Hospital in Alibunar | February 2014 | Requested: 696.000 |
| | | | Approved: 400.000 |
| Repairing floors in two classrooms | Elementary school "Prvi maj" Vladimirovac | During the summer school holidays | Requested: 789.000 |
| | | | Approved: 400.000 |
| Competition in the 2 nd handball league and purchase of equipment | Handball club of Vladimirovac | 01.03.2014. 15.06.2014. | Requested: 348.000 |
| | | | Approved: 285.000 |
| Purchase of equipment for training | Karate club Vladimirovac | April 2014 | Requested: 75.000 |
| | | | Approved: 75.000 |

Total Approved: RSD 1.160.000

DOLOVO

| Project Title | Organization/CSO | Timeframe | Total Budget: 700.000 RSD |
|--|--|----------------------------|------------------------------|
| XV Strudel festival | Women's association "Dolovke" | 01.09.2014. 06.09.2014. | Requested: 80.000 |
| | | | Approved: 55.000 |
| Wine festival | Winemakers association "St.Trifun" | 14.02.2014. | Requested: 100.000 |
| | | | Approved: 25.000 |
| Grape-gathering | Wine-producers association "St.Trifun" | 21.09.2014. | Requested: 20.000 |
| | | | Approved: 10.000 |
| Traffic safety school | Moto club "Ghost Riders" | April 2014 | Requested: 52.000 |
| | | | Approved: 30.000 |
| Firefighters competition and education of young people in the field of fire protection | Volunteer Fire Department "Dolovo" | 28.09.2014. | Requested: 80.000 |
| | | | Approved: 40.000 |

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|--|--|----------------------------|--------------------|
| Purchase of sport's equipment and organization of tournament for village Slava day | Man's Handball club "Dolovo" | 22.05.2014. | Requested: 80.000 |
| | | | Approved: 30.000 |
| Purchase of sport's equipment | Football club "Dolovo" | February-November 2014 | Requested: 40.000 |
| | | | Approved: 20.000 |
| Purchase of sport's equipment | Women's Handball club "Dolovo" | February-November 2014 | Requested: 60.000 |
| | | | Approved: 30.000 |
| Project for street pavement | Local community office of Dolovo | February 2014 | Requested: 130.000 |
| | | | Approved: 120.000 |
| Children's playground "Dolina" - Installation | Local community office of Dolovo | February-June 2014 | Requested: 300.000 |
| | | | Approved: 180.000 |
| VII Dolovo Kettle | Public Utility Company "Dolovi" | 07.09.2014. | Requested: 60.000 |
| | | | Approved: 40.000 |
| Horse race competition | Horse club "Dolovac" | September 2014. | Requested: 30.000 |
| | | | Approved: 15.000 |
| X Horse cart show | Horse club "Dolovac" | 22.05.2014. | Requested: 30.000 |
| | | | Approved: 15.000 |
| Publication of school magazine "Svici" | Elementary school "Aksentije Maksimović" Dolovo | 01.02.2014. 21.03.2014. | Requested: 60.000 |
| | | | Approved: 40.000 |
| Farmers day- Celebration of village Slava day | Association of citizens "Pančevacki ratari" Dolovo | 22.05.2014. | Requested: 50.000 |
| | | | Approved: 30.000 |
| Summer programme festival | Cultural Centre "25.maj" Dolovo | 30.06.2014. 30.08.2014. | Requested: 29.000 |
| | | | Approved: 20.000 |

Total Approved: RSD 700.000

MRAMORAK

| Project Title | Organization/CSO | Timeframe | Total Budget: 580.000 RSD |
|--|--------------------------------------|----------------------------|------------------------------|
| Day of care for senior citizen's | Red cross Mramorak | 31.10.2014. | Requested: 100.000 |
| | | | Approved: 60.000 |
| Purchase of equipment for school of football | Football club "Proleter" Mramorak | April 2014 | Requested: 100.000 |
| | | | Approved: 40.000 |
| Fish soup cooking competition | Volunteer Fire Department "Mramorak" | 19.04.2014. 20.04.2014. | Requested: 150.000 |
| | | | Approved: 20.000 |
| Horse cart show | Horse club "Mramor" | 08.06.2014. | Requested: 50.000 |
| | | | Approved: 50.000 |
| Meeting of young | Scout organization | 04.07.2014. | Requested: 80.000 |

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|--|------------------------------------|-------------|--------------------|
| scouts and picnic | "Beli bor" Mramorak | 06.07.2014. | Approved: 40.000 |
| Purchase of equipment for association | Artistic association "Mramorak" | 01.03.2014. | Requested: 208.800 |
| | | 15.04.2014. | Approved: 80.000 |
| Purchase and replacing of portal to the local community building | Local community office of Mramorak | April 2014 | Requested: 290.000 |
| | | | Approved: 290.000 |
| Total Approved: | | | RSD 580.000 |

5. Impact

The representatives of three local communities were included in monitoring the implementation of each activity and timely submission of short reports on the project. Project implementers were collecting press clippings from the local media and reactions of the local community. CWS and WEBG used collected data to estimate short, medium and longtime effect of the project on the community.

The following areas were impacted by the projects implementation during 2014:

- a. Village infrastructure development - **high impact, five projects**
- b. Education, experience exchange and training – **medium impact, two projects**
- c. Sport and promotion of healthy life styles – **high impact, six projects.**
- d. Fire and traffic safety – **low impact, two projects**
- e. Support to vulnerable groups (old people, disabled persons, youth and children) - **low impact, one project**
- f. Environmental protection - **low impact, one project**
- g. Tourist promotion of local customs and tradition – **high impact, eight projects**
- h. Support to local culture and arts – **low impact, two projects.**

5.1. Short term impact – one year

Although very high in scale, impact on local culture and arts can be considered as short term one, as it enabled local festivals and holidays to survive under severe financial conditions during crisis. Same can be applied to support for vulnerable groups and environmental protection projects as the Social Investment Plan provided support in order to prevent these activities from vanishing as a result of the lack of state/local funding.

5.2. Mid-term impact – two to five years

This impact level was in the very focus of the Social Investment Plan as it laid ground for the economic development during the wind farm construction timeframe, especially in the field of rural tourism and improved communities' capacities to prepare for, and respond to, fire and traffic accidents. Heavy input in tourist promotion of local customs and tradition recorded high impact through eight projects and reinforced position of the promotion and income generating events improving the overall tourist offer of the wider "Čibuk" area. A few thousand people in total visited these events, and reaffirmed Dolovo, Vladimirovac and Mramorak as future tourist destinations. With the new wind farm, it is expected that these

villages may be in a position to offer its capacities to construction companies' staff during the constructing phase, and after to become attractive for domestic tourists, especially for elementary and high school pupils.

5.3. Long-term impact – from five years on

The rest of the supported projects which generally deal with education, training, capacity building or promoting values and principles are considered to generate the long lasting effects, bringing new quality to the community social dynamics. Promotion of healthy life styles, through assistance provided to non-profit sport clubs dealing with volunteers and support to local based education and training are expected to motivate young people to improve their quality of life, connect more with the community and stay there. Additionally, significant funds were invested this year in the small infrastructure projects, with the goal of improving education for schoolchildren in the longer run and assisting local government in providing better quality services for the inhabitants of Vladimirovac, Mramorak and Dolovo.

Finally, the major positive impact in all three communities was made in the field of promoting corporate social responsibility and creating the sense of ownership among the citizens over the Social Investment Plan implementation and success.

6. Next Steps

WEBG Social Investment Plan will continue to be constantly modified and upgraded in accordance with the local needs. Comments were gathered from the local communities and will be incorporated in the 2015 Social Investment Plan Call for Proposals. The 2015 annual budget for implementation of the Program amounts to €24,000 to be allocated to four local communities as follows:

- Local community Vladimirovac – €10,000
- Local community Dolovo – €6,000
- Local community Mramorak – €5,000
- Local community Bavanište – €3,000

The local community of Bavanište was included in the 2015 Social Investment Plan due to expected increased level of activities during the construction of the overhead power line. Although minor impact on the local community is expected, WEBG decided to start working with Bavanište in order to establish closer relationship with this community. Additionally, Bavanište was included in the series of presentations on the project during the Public Disclosure Process in February and March 2015.

7. Annexes

This Annual Report is produced in English and published on the WEBG project web site www.wpc.rs along with final individual Project Reports (in Serbian) containing project description, financial reports, photos, press clipping and all supporting documents.