

TAX ADMINISTRATION MODERNIZATION PROJECT

Environmental and Social Management Framework Document - Tax Administration Modernization Project

Final Draft

Prepared by:
Srdjan Susic, Environmental consultant

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List of Abbreviations

ACM – Asbestos containing material
ARAP – Abbreviated Resettlement Action Plan
BRA – Business Registers Agency
BRP – Business Process Re-engineering
CFD – Central Feedback Desk
CROSO – Customs and Central Registry for Mandatory Social Insurance
EA – Environmental Assessment
EIA – Environmental Impact Assessment
EMFD - Environmental Management Framework Document
EMP – Environmental Management Plan
ESMFD - Environmental and Social Management Framework Document
EU – European union
FEA – Final Environmental Approval
GDP – Gross Domestic Product
Gg – gigagram (10^6 kg)
GHG – Green House Gases
HEPA – High-efficiency particulate arrestance
ICT – Information and Communication Technologies
IMF – International Monetary Fund
INP - Institute for Nature Protection of Serbia
IPCM - Institute for Protection of Cultural Monuments of Serbia
IPPC – Integrated Pollution Prevention and Control
LEP – Law on Environmental Protection of Serbia
LOEIA – Law on Environmental Impact Assessment of Serbia
MEP – Ministry of Environmental Protection of Serbia
MFRS – Ministry of Finance of Serbia
NBS – National Bank of Serbia
NGO – Non-Governmental Organization
NOx – nitrous oxides
OECD – Organization for Economic Co-operation and Development
OH&S – Operational Health and Safety
PAH – polycyclic aromatic hydrocarbons
PAP- Project Affected Person
PDO – Project Development Objective
PIU – Project Implementation Unit
PM – particulate matter
RAP- Resettlement Action Plan
RPF - Resettlement Policy Framework
RS – Republic of Serbia
SCTM – Standing Conference of Towns and Municipalities of Serbia
SEA – Strategic Environmental Assessment
TADAT – Tax Administration Diagnosis Assessment Tool
TIN – Tax Identification Number

Contents

LIST OF ABBREVIATIONS	2
1. EXECUTIVE SUMMARY	5
2. BACKGROUND AND PROJECT DESCRIPTION	6
General information	6
National Context.....	6
Project Objective	9
Project Description	9
Component 1. Legal Environment	10
Component 2. STA Organization and Operations.....	10
Component 3. ICT Tools System Modernization.....	11
Component 4. Project Management and Change Management.....	12
Component 5. Co-financing of STA Headquarters Building	12
4. COUNTRY ENVIRONMENTAL AND SOCIAL BACKGROUND	13
Environmental baseline parameters	15
Administrative and institutional set-up in the environmental sector in Serbia	16
5. NATIONAL ENVIRONMENTAL AND SOCIAL LEGAL FRAMEWORKS.....	18
National environmental legal and environmental impact assessment frameworks	18
Legal requirements relevant to the Proposed Project.....	21
National social legal framework	22
6. WORLD BANK SAFEGUARD PROCEDURES	25
Triggered Safeguard Policies	25
OP/BP 4.01 ENVIRONMENTAL ASSESSMENT.....	25
OP/BP 4.11 PHYSICAL CULTURAL RESOURCES.....	26
OP/BP 4.12 INVOLUNTARY RESETTLEMENT	26
Process of Environmental Assessment/site-specific EMP.....	28
Process of Social Risk Assessment and mitigation measures.....	30
6. ENVIRONMENTAL AND SOCIAL IMPACTS.....	32
7. ENVIRONMENTAL AND SOCIAL MITIGATION PLANS.....	34
Generic EMP - Environmental Mitigation Plan	35
Generic EMP - Social Mitigation Plan	43
8. ENVIRONMENTAL AND SOCIAL MONITORING PLAN	45
Generic EMP - Environmental monitoring plan	46
Generic EMP - Social Monitoring Plan.....	51
9. GRIEVANCE REDRESS MECHANISM.....	52
10. COMMUNITY ENGAGEMENT PLAN	52
11. REPORT ON PUBLIC CONSULTATIONS	52

12. ANNEXES.....	53
Annex 1. Generic EMP - Template for an Environmental Impact Assessment Report.....	54
Annex 2. Generic EMP - Templates for Environmental and Social Monitoring Plans	55
Annex 3. Template for a site visit monitoring report	58
Annex 4. Grievance Redress Mechanism	59
Annex 5. Resettlement Screening Checklist	62
Annex 6. Public consultations related documents.....	63
Annex 7. Community Engagement Plan	64

1. EXECUTIVE SUMMARY

To be added once public consultations are finished and to incorporate the WB's approach to address potential project induced risks of GBV.

2. BACKGROUND AND PROJECT DESCRIPTION

General information

The role of tax administrations is especially important today. The global economic crisis has had a dramatic effect on tax revenues at national, state, and local levels. In that sense, the extent of success of the Tax Administration in its role should be reflected through a higher revenue growth. Only with collected taxes, governments are able to finance and provide all public services and to implement welfare programs¹.

One of the main elements of tax reforms in Serbia, is to introduce a modern, advanced tax systems in line with systems in EU Member States and other OECD countries. The establishment of the efficient tax administration in line with the EU standards requires further modernization and strengthening of institutional capacities, both in the tax administration itself and in other organizations and bodies involved in the management of the tax system. The emphasis is on the improvement of business processes; upgrading of technical infrastructure; improving the knowledge and skills of the employees, as well as improvement of the services that are being provided for the taxpayers and citizens.

National Context

The Tax Administration of the Republic of Serbia (STA) as an administrative body within the Ministry of Finance performs the following tasks:

- performs the registration of taxpayers by assigning TIN and keeps a single register of taxpayers;
- keeps registers in the field of exchange operations (until January 1, 2019);
- keeps registers in the field of gaming;
- performs tax control and tax allocation in accordance with the law;
- performs regular and forced collection of taxes and secondary tax payments;
- reveals tax offenses and their perpetrators and undertakes the legally prescribed measures;
- issues misdemeanor orders or submits requests for the initiation of a misdemeanor procedure in front of competent misdemeanor courts for tax offenses, violations regulated by the law on fiscal cash registers, misdemeanors in the field of exchange operations and other transactions in accordance with the law regulating foreign exchange operations (until 01.01.2019.), as well as offenses in the field of gaming;
- takes care of the implementation of international agreements on the avoidance of double taxation;
- develops and maintains a unique tax information system;
- keeps tax accounting;
- plans and conducts employee training;
- supervises the implementation of laws and other regulations by its organizational units;
- performs internal control of the work and behavior of tax officials and employees in relation to their work;
- performs internal audit of all organizational parts of the Tax Administration in accordance with the law;
- provides professional assistance to taxpayers in the application of tax regulations for taxes that are determined, controlled and charged, in accordance with the Code of Conduct for Employees in the Tax Administration;
- ensures transparency;
- issues and revokes the permissions to conduct exchange transactions; organizes training and issues certificates for performing exchange transactions; performs control of exchange

¹ https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/ipa/2011/04_modernisation_of_tax_administration.pdf

operations in accordance with the law; performs other activities in accordance with the law regulating foreign exchange operations (until January 1, 2019);

- performs state administration affairs in the field of gaming, in accordance with relevant regulations and performs other tasks in accordance with the law. Its competences are defined by the Law on Tax Procedure and Tax Administration ("Official Gazette of RS", No. 80/02, 84/02 - correction, 23/03 - correction, 70/03, 55/04, 61/05, 85 / 05 - other law, 62/06 - other law, 61/07, 20/09, 72/09 - other law, 53/10, 101/11, 2/12 - correction, 93/12, 47 / 13, 108/13, 68/14, 105/14, 91/15-authentic interpretation, 112/15, 15/16, 108/16 and 30/18).

The organization of STA is as follows:

- Head Office
- 5 regional centers
- Centre for large taxpayers – Large Taxpayers Office (LTO)
- 24 Affiliates Type A
- 17 Affiliates Type B
- 37 Affiliates Type C

For the performance of tasks from the scope of the Tax Administration, in several interconnected areas of work, the following internal units are established in the STA HQ:

- Tax Police Sector,
- Transformation Sector,
- Sector for Tax- Legal Affairs and Coordination,
- Audit Sector,
- Collection Sector,
- Sector for exchange and foreign exchange and game of chance,
- Human Resources Sector,
- Material Resources Sector,
- Information and communication technologies Sector,
- Sector for Taxpayer services and education .

As separate internal units in STA HQ, directly subordinated to the Director of STA, the following are formed:

- Office of the Director of STA,
- Department for internal control and administrative supervision,
- Strategic Risk Department,
- Strategic planning and analytics group,
- Internal Audit Group.

The structure of the affiliates network is formed on the basis of the number of registered and active tax payers, those that possess TIN, number of citizens who live in area which are under the scope of duty of specific affiliates, and based on the possibilities for more rational and efficient of performance of tasks within the scope of STA and timely achievement of rights and obligations of taxpayers.

The affiliates are structured in three tiers:

- Affiliates Type A (more than 65 employees)
- Affiliates Type B (43 to 65 employees)
- Affiliates Type C (up to 43 employees)

The Tax Administration Transformation Program for the period 2015-2020 was adopted in June 2015, with the aim of increasing the efficiency and the effectiveness of STA. The accomplishment of this task requires achievement of three basic strategic goals:

1. Improving the efficiency and effectiveness of basic business processes and increasing the level of tax collection;
2. Improving quality of services and reducing costs of fulfilling tax obligations;
3. Establishing modern infrastructure and work environment within the organization

Achieving each of the three defined strategic goals requires implementation of a whole series of initiatives (projects) aimed at gradually building up the institutional capacities of STA. All these initiatives together form an integrated transformation program of turning tax administration into a modern organization capable of performing its social role efficiently and effectively, while creating minimum costs for the society.

- Strategic initiatives are:
- Strengthening of strategic management and improvement of the basic functions of STA;
- Redesign of organizational structure and improvement of basic and auxiliary functions;
- Improving of services to taxpayers.

Priorities for further implementation of the Program include strengthening the STA management, streamlining the organizational structure in the Headquarters and branches, separating of core from non-core activities of STA, implementing a modern approach to risk management, strengthening tax debt management, including write-off procedures, modernizing IT and business processes, and improving coordination and exchange of information with other government agencies.

With the Conclusion of the Government of the Republic of Serbia on 5 December 2017², the Action Plan of the Transformation Program for the period 2018-2023 was adopted, as well as the Decision on basic and secondary activities of the Tax Administration, by which the tax administration focuses on the basic tax activities and the first phase of consolidation of the organizational units.

As presented in the Government's Economic Reform Program for the Period 2018-2020³, the application of the detailed reform plan has led to the integration and simplification of tax procedures, as well as the improvement of the operational activities in suppressing informal economy which contributes to the reduction of costs in fulfilling tax obligations, provides easier and more equitable business conditions and improving tax collection which is also in line with the European Commission recommendations⁴.

The 2017 Compliance Plan was drafted based on the OECD model of voluntary compliance through risk mapping in four domains (registration, timely submission of tax applications, correctness of data presented in tax applications and payment timeliness) and based on the IMF and TADAT (Tax Administration Diagnosis Assessment Tool) recommendations. In the context of improving services to taxpayers, new electronic tax returns and services have been continuously introduced so that in 2018 the electronic submission of tax returns for basic tax forms was fully enabled. The Sector for providing services to taxpayers and education, which applies the client approach in dealing with taxpayers, was established.

The model of tax system management in Serbia is based on managing the relationship with taxpayers. The new model of tax management and the new scheme of relationship between citizens and public administrations are in line with EU's policy to develop e-governance. STA is improving its

² <http://www.poreskauprava.gov.rs/sr/o-nama/program-transformacije.html>

³ <http://www.mfin.gov.rs/UserFiles/File/strategije/2018/ERP%202018-2020%20ENG%20FINAL.pdf>

⁴ 2016 EC Progress Report on Serbia.

client oriented policy by working “with” the citizens providing them the best possible chances to fulfil their rights and obligations in relation to the tax system in an efficient way. Client orientation, partnership relations and the public’s trust are corner pillars on this course to achieve the objectives of the tax administration.

Overall, in the area of taxation, Serbia is well on the way to meeting the EU standards. Enforcement capacities of STA and tax collection have improved, although further progress is required in this respect. In addition, the problem of the informal economy remains yet to be tackled. Serbia needs to take follow-up action to ensure that its tax legislation complies with the Code of Conduct for business taxation. Main goal of Serbian tax administration is to establish modern, client oriented organization with high level of voluntary tax compliance.

Project Objective

In broader terms, the development objective of the project is to improve revenue collection, tax compliance and provision of taxpayer services in the Republic of Serbia. The long-term vision supported by the project is a tax administration with streamlined business processes supported by risk-based voluntary compliance management, effective use of electronic communication with taxpayers, skilled and professional staff, contributing to an efficient, client- oriented tax administration. The modernized tax administration will improve the business environment and improve the country's competitiveness.

In accordance with the above, the Project Development Objective (PDO) is defined as: The development objective of the project is to improve efficiency of tax collection and lower the compliance burden for taxpayers in the Republic of Serbia.

The project contributes to the achievement of STA future vision: to become an organization characterized by paperless operations, a taxpayer-friendly administration providing world-class services, equipped with sharp, ICT-enabled risk-based enforcement allowing the STA to effectively use its limited resources to optimize revenue collection for the Republic of Serbia.

Project Description⁵

STA faces a range of constraints in the overall legal and tax administration policy environment in which it operates. A key constraint relates to the laws which prescribe handling of digitization and archiving of paper documents, including clarity on the legal validity of digital documents. TAMP will provide the review of the tax laws to plug loopholes and strengthen revenue mobilization, while building capacity of the STA staff in several areas of legal analysis in order to support a comprehensive approach to risk-based management in tax administration and improve tax compliance.

The organizational structure of STA, operational processes and human resource support systems are inefficient and hinder improvements in revenue administration. They limit STA’s ability to implement an effective tax compliance management culture, impact the quality of taxpayer services and result in excessive compliance burden to taxpayers. TAMP will support institutional, legal, procedural and other changes in the tax administration to achieve significant efficiency improvements.

In addition, STA faces serious problems in records management, with around 500,000,000 paper records and documents accumulated throughout the tax offices. STA needs to find solutions to clear

⁵ This section of the document is based on the Project Description document, received from STA in August 2018. Further clarifications and narrowing-down of project-related activities are still possible, although it is not expected that these will have detrimental or significant impact on the main topics of this document.

this backlog of paper and to provide robust end-to-end electronic solutions for future records management and archives. In parallel with the required business process analysis, TAMP will provide support to improve ICT systems and capacities, both to support the transition to an integrated and cross-searchable system of records and to prevent the re-accumulation of paper.

TAMP is organized in the following components:

Component 1. Legal Environment

1.1 Legal Environment Reform. Advisory support on removing impediments in the legal environment to ensure effective functioning of the STA will focus on information governance and exchange as well as tax laws and regulations. This sub-component will include:

- i. An analysis of the national legal framework on recognition of digital documents for judicial purposes and of the legal framework on information governance (document retention and management).
- ii. Legislation and administrative practice reforms to counter risks of profit shifting and base erosion for the Serbian tax base to be compliant with the Base Erosion and Profit Sharing Inclusive Framework of the OECD.
- iii. Review of tax laws and regulations to identify and close loopholes and improve implementing regulations.
- iv. Enhancement of legislation and regulations identified in the Component 2 that are impeding the evolution of the STA into a more flexible and adaptive tax administration.
- v. Development or enhancement of the legal framework for information exchange between STA, other government agencies and third parties (private sector institutions such as commercial banks and others).
- vi. Development of procedural framework for automatic exchange of information with EU Member States.

Component 2. STA Organization and Operations

2.1 Human Resource Environment and Capacity Building. Human resources and human resource management policies fall under the civil service structure which is highly prescriptive and inflexible, regulates staff location and transfers and mandates rigid adherence to job description contents. This has severely restrained the STA operational flexibility and is a major constraint to the STA responding to shifts in the way taxpayers are operating resulting in increased non-compliance with the tax acts. The project aims to support the STA reform program in this area.

2.2 Operational Development Tax Operations. Complex and outdated basic business processes inhibit STA from moving forward with modernization. The ongoing gradual implementation of the STA ICT system (Integrated Information System or IIS) has not been underpinned by redesign of operational functions and processes aligned with international best practices and supported by improvements in the physical infrastructure. The TADAT report and discussions with STA have highlighted priority areas requiring business process reengineering, including tax registration, tax returns processing and payment, enforcement and compliance, tax audit, role of tax police, administrative appeals processing.

This sub-component will involve Business Process Re-engineering (BPR) to introduce international best practices into the STA operational functions to support new streamlined business processes and increased operational efficiency and effectiveness of STA, better quality of services which will help reduce compliance costs for taxpayers.

2.3 Taxpayer Services and Compliance STA has identified the improvement of taxpayer services as one of the key features of the STA Action Plan. STA is proposing to create a taxpayer-friendly image by improving the quality of taxpayer services. STA intends to make it easier for taxpayers to obtain information from STA and to focus on tailored taxpayer education programs and

services to facilitate voluntary compliance. This sub-component will support modernization of taxpayer services with a view to increasing understanding of revenue laws, procedures, as well as the rights and obligations of taxpayers and thus reduce the compliance burden for taxpayers.

Component 3. ICT Tools System Modernization

STA faces serious problems in records management, with around 500,000,000 paper records and documents accumulated throughout the tax offices. STA needs to find solutions to clear this backlog of paper and to provide robust end-to-end electronic solutions for future records management and archives. In parallel with the required business process analysis, ICT systems and capacity should also be improved, both to support the transition to an integrated and cross-searchable system of records and to prevent the re-accumulation of paper.

The STA's IIS supports daily operations in all tax offices across the country through a web-based locally developed software platform but, as noted earlier, it has not involved BPR and does not cover all tax functions. The web portal provides access to electronic services for taxpayers and their representatives with a digital signature since 2013. From January 1, 2018, taxpayers can submit all tax returns via e-mail through the Tax Administration Portal, which enables quick, simple and secure filing of tax returns from the user's computer.

The STA data warehouse capabilities are in the process of being developed, with the first phase launched in 2016 for producing standard (predefined) reports, and supporting performance monitoring and web publishing. Some data exchange has been automated between the IIS and a few government agencies, including Treasury Administration, the National Bank of Serbia (NBS), the Business Registers Agency (BRA). Data exchange needs further development to expand access to other government agencies (notably Customs and Central Registry for Mandatory Social Insurance-CROSO) and to ensure better access of STA to third party information (other government agencies, commercial banks and other key private sector institutions). The STA's workflow management system offers limited functionality and has not reduced backlogs of paper documents in tax offices. The project will support ICT solutions and training to strengthen STA capacity for enforcement and compliance and enhance e-services for taxpayers.

3.1 Records Management and Archiving. This sub-component will finance solutions to build records management capacity, clear paper records backlogs, and provide systematic solutions for future records management through an information governance model. This sub-component will be led by a working group consisting of key stakeholders in the MFRS, STA and the National Archives. The working group should first seek to improve the legal and policy environment as it relates to records management and develop a strategic plan for tackling legacy records and then plan for fully electronic records management in a medium term. This sub-component will focus on i) information governance, ii) electronic records management systems and iii) **Records Management Capacity and Paper Backlogs**. The latter will encompass the following activities:

- i. Records survey of a sample of circa four offices in the STA office network to determine where and what records are created, how or if they are classified and stored, arranged and their condition.
- ii. Pilots in sample field tax offices to arrange, classify, weed, destroy or transfer paper records to the National Archives using the revised retention schedule. The working group should consider lessons learnt from this.
- iii. Training and capacity building for STA field offices in records management.
- iv. Scaling up arrangement, classification, weeding, destruction or transfer of STA paper records to the National Archives based on lessons from the pilots, possibly with additional short-term staffing, and then separately sending inactive records less than thirty years old to a centralized or outsourced records center from where access could be managed.

- v. Improving capacity of field tax offices to manage scanning-intensive workflows in the medium term including equipment and training.
- vi. Revisiting existing arrangement with Captiva that charges per page for scanning and planning for future costs for the inevitable greater use of Documentum.

3.2 Improving Information Systems. This subcomponent includes activities to strengthen the ICT operating environment and harden it from external and internal threats in addition to providing for fail-over to a disaster recovery site. This sub-component, within the gaps identified by the BPR, will also several specific activities.

3.3 Automated Data Exchange and Data Warehouse. The sub-component will support further development of the protocols and agreements to enable sharing of information between the STA and other government bodies and third parties. In addition, the skills needed by STA staff to effectively mine data for risk assessment will be developed.

Component 4. Project Management and Change Management

This component will support a Project Implementation Unit (PIU) within STA and change management activities. The PIU will carry out the day-to-day project management and help the STA to coordinate project activities. The change management activities will comprise: design and roll out of public communication campaigns and preparation of a paper- and web-based information strategy for dissemination and for internal communications to support the STA modernization and improvements in legal and tax policy environment in which STA operates.

Sub-component 3.1 of Component 3 and Component 5 of TAMP are the most likely to create adverse environmental impacts during handling and disposing of paper archives and construction on new buildings. If environmental damage cannot be avoided, mitigation measures, as presented in this document, should be applied and monitored during site selection and all subsequent of Project planning and implementation. Site-specific EMP for the building planned under Component 5 has to be developed. It is less likely that any environmental effects will be effectuated during preparation and implementation of Project components 1, 2 and 4. Nevertheless, principles regarding environmental protection and mitigation of adverse environmental effects, as stated in this ESMF, fully apply and should be complied with.

Component 5. Co-financing of STA Headquarters Building

This component will co-finance together with the Government of Serbia the construction of a new HQ building for the STA which will improve its efficiency. Currently headquarters staff are spread between many buildings in Belgrade and housed in inadequate facilities; the dispersion significantly increases the time staff are in transit between buildings and impacts management's ability to effectively direct and manage their disbursed staff. This new building will house up to one thousand STA staff in Belgrade. The new building would help improve organizational and staffing arrangements, streamline and facilitate quick and efficient management decision-making by having staff in close proximity, improve risk management and enforcement processes, and facilitate better human resource management.

4. COUNTRY ENVIRONMENTAL AND SOCIAL BACKGROUND

Republic of Serbia constitutes only 0.05% of the world's land area, or about 1.5 % of Europe. The country's economy is export dependent – in 2012, exports of goods and services made up 40.3 per cent of GDP. GDP per capita was US\$11,070 in 2010, or 34.6 per cent of the EU-28 average. The Strategy for Promotion and Development of Foreign Investments indicates Serbia's commitment to a free market economy, the protection of competition, the elimination of monopolies and considerable reduction of bureaucracy in the economy. The Republic of Serbia has adopted the Strategy for Foreign Debt Management and the system of information for managing public internal and foreign debt was created. In 2005, foreign debt accounted for 50.2% of Serbia's GDP, while the share of foreign debt in GDP in May 2018, as the most recent data, was 59.9%⁶. Republic of Serbia's strategic commitment in the upcoming period requires a considerable increase in competitiveness which would lead to a rise in direct foreign investments and export. This is the basis for achieving sustainable and high GDP growth. The National Investment Plan contains commitments pertaining to the construction of economic and social infrastructure for the improvement of the business environment, raising the rate of employment, achieving even regional development, improvement of the quality of life of all citizens of the Republic of Serbia and poverty reduction.

Territorial organization of Serbia is regulated by the Law on Territorial Organization, adopted in 2007, which regulates that the territorial organization of the republic comprises municipalities and cities, the City of Belgrade with special status, and autonomous provinces. Districts are not mentioned in this law but are defined by the Government of Serbia's Enactment from 1992. They are defined as the districts as "regional centers of state authority", enacting affairs run by the relevant Ministries. Serbia is divided into 29 districts (8 in Šumadija and Western Serbia, 9 in Southern and Eastern Serbia, 7 in Vojvodina and 5 in Kosovo and Metohija), plus the City of Belgrade. The Republic of Serbia aspires to become a member of the European Union. In that respect, the Strategy for Accession of the Republic of Serbia to the EU is based on the provision of optimal instruments and modes of cooperation in mutual interest. Republic of Serbia still has to work on reforms towards: the completion of market institutions; the creation of an even friendlier climate for SME development and operation; encouraging employment in order to considerably reduce the currently high unemployment rate; directing investments (foreign and domestic) to less developed regions in order to ensure their faster development and higher employment rates.

Political context: Republic of Serbia is a parliamentary republic, with the government divided into legislative, executive and judiciary branches. The General Assembly is the supreme unicameral representative body, holder of constitutional and legislative power in the Republic of Serbia. It adopts and amends the Constitution; ratifies international contracts when the obligation of their ratification is stipulated by the Law; enacts laws and other general acts within the competence of the Republic of Serbia; adopts development plan and spatial plan; declares public interest in expropriation process; adopts the budget and end-of-year balance of the Republic of Serbia etc. The President of the Republic is the head of state, elected by popular vote to a five-year term, with mostly procedural duties in accordance with Serbian parliamentary system. The Government is the most influential executive power and comprised of the prime minister and minister cabinet. The Government is responsible for proposing legislation and a budget, executing the laws, and guiding the foreign and internal policies. Serbia has a three-tiered judicial system, made of the Supreme Court of Cassation as the court of extraordinary appeal, Courts of Appeal as the appellate instance, and Basic and High courts as the general jurisdiction courts of first instance.

⁶<http://www.javnidug.gov.rs>

Demographics of Serbia: Population of Serbia reaches 7.095.383, out of which 51.3% are females and 48.7% are males. The average person in Serbia is aged almost 43 (males being 41 and females 44 years of age average) and life expectancy is 72 and a half years for males, and 77 and a half for female population.⁷ Serbia faces same population decrease as many other European countries. Rate of mortality is higher than the birth rate, so there is decrease in number of citizens. Nevertheless, there are some municipalities that are experiencing population increase, mainly due to internal migrations.

Economy: Serbia is considered to be an emerging market economy. Serbian nominal GDP in 2015 was officially estimated at \$36.56 billion or \$5,102 per capita.⁸ The economy is dominated by services, like trade and tourism, which accounts for 60.3% of GDP, followed by industry with 31.8% of GDP, and agriculture at 7.9% of GDP.⁹ The official currency of Serbia is Serbian dinar, and the central bank is National Bank of Serbia. The Belgrade Stock Exchange is the only stock exchange in the country. The economy has been affected by the global economic crisis. After eight years of economic growth (average of 4.45% per year - but following strong economy recession during the 1990's), Serbia again entered the economic depression in 2009 with negative growth of -3%, and in 2012 with -1.5%. The public debt has doubled in 4 years: from pre-crisis level of 29.2% to 63.8% of GDP.¹⁰

Employment: There is 9.1% of unemployed (out of which 14.5% is of lower education, 64.5% are of secondary and 21% are of tertiary education) out of working age population (age 15+).¹¹ But, there is also a large number of "Inactive population", referred to as "all persons aged 15 and over who are not classified into employed and unemployed population. Inactive population covers students, retired persons, homemakers, as well as persons who did not perform any work in the reference week, did not seek actively work or were not available to start working within two weeks following the reference week."¹² Including those groups the unemployment rate in Serbia increased in the first quarter of 2016 to 19%. Of the total population over 15 years of age 18.5 percent men and 19.6 percent women are unemployed¹³. The unemployment rate is highest in the Belgrade region. It is worth mentioning that only 51% of the 74.9% of Roma population reached the working age is employed.¹⁴ Number of unemployed women among Roma is four times higher than the number of unemployed men.¹⁵

Poverty and vulnerability: In Serbia 628,000 people live in absolute poverty, meaning there are 8.9 percent of people that cannot afford to feed according to nutritional standards defined for Serbia. The survey of income and living standards showed that in 2013 in Serbia at risk of poverty was 24.6 percent of the population, nearly 1.8 million people, the highest rate among all European countries in which applies this survey (EU Member States, Switzerland, Norway, Iceland and Serbia).¹⁶

Stakeholders identification and analysis. Project consultation should include representatives of the following stakeholders:

7 Source - National statistical office of Serbia - <http://webzrzs.stat.gov.rs/WebSite/Default.aspx>

8 "Report for Selected Countries and Subjects". International Monetary Fund. Retrieved 10/10/2016

9 Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/ri.html> last accessed on 10/10/2016

10 Source: <http://www.mfin.gov.rs/pages/article.php?id=7161> last accessed on 10/10/2016

11 Source - National statistical office of Serbia - <http://webzrzs.stat.gov.rs/WebSite/Default.aspx>

12 Ibid.

13 Ibid.

14 Source: <http://documents.worldbank.org/curated/en/855151468102865205/Poverty-social-exclusion-and-ethnicity-in-Serbia-and-Montenegro-th-case-of-the-Roma> - (Bodewig & Sethi report from 2005)

15 Source: <http://www.rs.undp.org/content/serbia/en/home/library/mdg.html> - MDG Monitoring Framework for Serbia (2006) Report

16 Source: The European Anti-Poverty Network - Serbia (EAPN) <http://www.eapn.eu/> " Household Budget Survey" last accessed 10/10/2016

- All relevant ministries and governmental agencies, STA but also other bodies that can influence and contribute to the project, including Ministry of Public Administration and Local Self-Government, Ministry of Labor, Employment, Veteran and Social Affairs and Ministry of Environmental Protection.
- National and international NGOs, such as the Standing Conference of Towns and Municipalities of Serbia (SCTM), currently involved in tax and fiscal system related projects. There are quite a few NGO's registered in different fields that can contribute to the project, but emphasis should be made to include those that have already contributed to the tax administration reform programs.
- Professional associations and potentially ethnic associations.

At regional and local levels same relevant regional or local groups should be involved in project consultations.

Environmental baseline parameters¹⁷

Despite the relatively small size of the Republic of Serbia, its environment is highly diverse compared to other countries in Europe. The reasons for this comparative richness include: the variety of climate, topography, and geology and the long- term ecological and evolutionary history of the region as a biological crossroads.

The varied ecosystems of Serbia in turn give rise to a diversity of valuable ecological processes. The following ecosystems are represented: deciduous forests of several types in lowland, foothills, and mountain areas; mountain forests of pine, spruce, and fir; steppe (grasslands that develop in regions of wind-deposited soil) and forest-steppe; and alpine grasslands above “tree line” in the high mountains. Serbia is species-rich. The Balkan Peninsula is the most species-rich part of Europe for flowering plants and Serbia is among the most diverse parts of the Balkan Peninsula - only Greece and Bulgaria being comparable.

In general, Serbia has a number of different types of ecosystems of particular environmental importance, including: forest ecosystems representing different types of forests ; high mountain regions with characteristic mountain ecosystems well-represented or preserved, some of which are found on borders and would require trans-boundary management efforts; mountain regions in which traditional human activities have maintained and even increased biodiversity through centuries of maintaining the open pastures of mountain meadows; gorges and canyons that have been identified as important centers for relict and endemic species; steppe and sands of Vojvodina, as well as lakes, wetlands swamps, marshes, ponds which provide key habitat for migratory birds from elsewhere in Europe and have been identified as wetlands of the Ramsar Convention; karst regions in parts of Serbia, with their numerous caves and pits, supporting a rich fauna; and mountain bogs around mountain and glacial lakes.

The most important trends related to state of natural habitats and environment are as follows:

- Slight variations of sulfur dioxide emissions ranging from 376.95 Gg in 2012 to 320.91 Gg in 2015 can be observed in the period 2012-2015. The same trend is found in the nitrogen oxides emissions that varied from 48.36 Gg in 2014 to 53.5 Gg in 2015¹⁸.

¹⁷ Additional detailed information in this context can be found at http://www.unece.org/fileadmin/DAM/env/epr/epr_studies/Synopsis/ECE.CEP.174_Synopsis.pdf and <http://www.sepa.gov.rs/index.php?menu=5000&id=13&akcija=showExternal>

¹⁸ Data obtained from the Yearly Reports on Air Quality in the Republic of Serbia for 2012, 2013, 2014 and 2015, published by the Environmental Protection Agency of the Republic of Serbia.

- Heavy metal emissions demonstrated a positive trend (reduction) between 2007 and 2011. Lead emissions diminished by 54.98 per cent and mercury emissions by 13.32 per cent between 2007 and 2011, whereas cadmium emissions were reduced by only 3.58 per cent.
- Between 2007 and 2010, total GHG emissions measured in CO₂ decreased by 12.04 per cent, from 52,251 kt to 45,962 kt. The consumption of ozone-depleting substances dropped 87.37 per cent, from 63.80 tons of ozone-depletion potential in 2007 to 8.06 tons in 2013.
- In 2007, only about 225 million m³ (or 8.1 per cent) of 3,158 million m³ of wastewater was treated. In 2013, this had dropped to 183 million m³ (or 4.53 per cent) of 3,795 million m³. The situation had deteriorated in both absolute and relative terms.
- The connection rate to public sewers went up from 48.64 per cent of the population (or 3.59 million people) connected in 2007 to 57.8 per cent of the population or 4.14 million people connected in 2013. This increase hides the fact that most of the new connections were simply to the sewers, without subsequent treatment. The level of the population connected to sewers but whose wastewater was not treated rose from 2.9 million in 2007 to 3.4 million in 2013.
- The country's ecosystem is rich and comprises a vast number of diverse species. Currently, 1,760 wild species of plants, animals and fungi are strictly protected and 853 are protected by law. The 1999 Red List contains 171 plant taxa (species and sub-species), making up about 5 per cent of the total flora in Serbia.
- Forest felling increased by 26.1 per cent from 2,247,000 m³ in 2007 to 2,833,000 m³ in 2011. During the same period, forest damage increased by 66.7 per cent, from 40,576 m³ to 67,635 m³.
- There are 474 protected areas with a total area of 531,279 ha. An additional 117 areas are within the protection procedure.

Administrative and institutional set-up in the environmental sector in Serbia

Since 2007, Serbia has developed a comprehensive set of strategic and planning documents on environmental protection, as well as in different sectors, which have an impact on the environment. However, many strategic documents required by respective laws were developed and adopted.

Some strategic documents prescribed by respective laws are still to be developed and adopted, e.g. several documents on water management. In many cases, strategies were prepared and adopted without simultaneous development and adoption of action plans, which leads to further delays in implementation at both national and local levels. For example, the National Environmental Protection Program was adopted in 2010 without an action plan, and this still needs to be elaborated. Reports on implementation for a number of

Currently, the Ministry of Environmental Protection (MEP), is the key institution in Republic of Serbia responsible for formulation and implementation of environmental policy matters. Other aspects of environmental management related to activities foreseen under the Proposed Project are addressed by other institutions, such as the Institute for Nature Protection of Serbia (INP) and the Institute for Protection of Cultural Monuments of the Republic of Serbia (IPCM). Serbia has not yet addressed the acquis requirement of either a fully integrated permitting process covering all areas or formal consultation between permitting authorities. Capacity constraints hamper progress in implementing the legislation. Administrative procedures in the field of planning, construction and environment are not harmonized and coordinated. Within the overall system, environmental assessments and authorizations are procedurally complex as such, but also in terms of their interaction with other procedures, e.g. construction permits.

strategic documents are lacking, despite the requirements of respective laws to prepare such reports. Implementation of the key strategic document on sustainable development – the 2008 National Strategy for Sustainable Development – has been hindered by the lack of an institution clearly in charge of coordinating its monitoring and implementation. Although there has been some progress in formal integration of environmental considerations into sectoral strategic and planning documents, actual integration of environmental considerations in the implementation of sectoral strategic and planning documents is not yet a reality. There is a lack of data at the national level on EIA and SEA approvals issued by the Autonomous Province of Vojvodina and local self-government units. Since 2007, the institutional framework for environment and sustainable development has been constantly changing. A separate Ministry of Environment existed for slightly more than a year (May 2007 – July 2008). Thereafter, the key environmental authority changed its name, affiliation and scope of responsibilities several times. Constant transformations shaking the environmental sector in Serbia have impacted on the continuity of efforts to improve environmental policy and legislation and ensure effective implementation. No detailed analysis was performed of the consequences of the restructuring of environmental competences between ministries and institutional reforms of 2012, 2014 and 2017.

National authorities exercise supervision over the work of local self-government units by requesting information and documents as needed.

5. NATIONAL ENVIRONMENTAL AND SOCIAL LEGAL FRAMEWORKS

National environmental legal and environmental impact assessment frameworks

Environmental protection in Republic of Serbia is regulated by several national and municipal laws and by-laws. Main legal documents are the following:

- Constitution of Serbia ("Official Gazette of RS" No. 98/06).
- National Strategy for Sustainable Development ("Official Gazette of RS" No. 72/09, 81/09)
- Law on Environmental Protection ("Official Gazette of RS" No. 135/04, 36/09, 43/2011, 14/2016)
- Law on Environmental Impact Assessment ("Official Gazette of RS" No. 135/04)
- The Law on Waste Management ("Official Gazette of RS" No. 36/09, 88/2010, 14/2016)
- The Law on Protection against Environmental Noise ("Official Gazette of RS" No. 36/09, 88/10)
- Law on Water ("Official Gazette of RS" No. 30/10, 93/12)
- Law on Occupational Safety and Health ("Official Gazette of RS" No. 101/05, 91/2015)
- Law on Planning and Construction ("Official Gazette of RS" No. 72/09, 81/09, 64/2010, 24/2011, 121/2012, 42/2013, 50/2013, 98/2013, 132/2014, 145/2014)
- Law on Nature Protection, ("Official Gazette of RS" No. 36/09, 88/2010, 91/2010, 14/2016)
- Law on Strategic EIA ("Official Gazette of RS" No. 135/2004, 88/2010)
- Law on Forests ("Official Gazette of RS", 30/2010, 93/2012 and 89/2015),
- Law on Air Protection ("Official Gazette of RS", 36/09, 10/2013)
- Agricultural Land Law ("Official Gazette of RS" No. 62/06, 65/2008, 41/2009, 112/2015))

Regulations related to EIA procedure include the following:

- Law on EIA (Official Gazette of the Republic of Serbia No.135/2004, 36/2009);
- Law on Environmental Protection ("Official Gazette of RS", No. 135/04, 36/09, 43/2011, 14/2016);
- Decree that prescribes list (I) of projects for which an impact assessment is mandatory and list (II) of projects for which an impact assessment may be required (Official Gazette of the Republic of Serbia No. 114/2008);
- Law on Ratification of the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention)- („Official Gazette of the Republic of Serbia“, No. 102 /07);
- Law on Ratification of the Aarhus Convention („Official Gazette of the Republic of Serbia“, No. 38/09)
- Law on Free Access to Information of Public Importance, („Official Gazette of the Republic of Serbia“, No. 120/04, 54/07, 104/09 and 36/10);
- Law on Planning and Construction ("Official Gazette of RS", No. 72/09, 132/14 and 145/14).
- In 2005, the following areas have been regulated through by-laws („Official Gazette of the Republic of Serbia“, No. 69/05):
 - Rulebook on public insight, presentation and public discussion about the study;
 - Rulebook on the work of the expert commission in assessment of the study;
 - Rulebook on the content of application for determining screening and on the content of application for determining scope of the EIA study;
 - Rulebook on the content of the EIA study and on the content of appearance, manner of keeping public register regarding the act decisions about the EIA;

- Rulebook on manner of keeping public register regarding the act decisions about the EIA.
- Rulebook on the contents of requests for the necessity of Impact Assessment and on the contents of requests for specification of scope and contents of the EIA Study ("Official Gazette of RS" No. 69/05)
- Rulebook on the contents of the EIA Study ("Official Gazette of RS" No. 69/05)
- Rulebook on the procedure of public inspection, presentation and public consultation about the EIA Study ("Official Gazette of RS" No. 69/05)
- Rulebook on the work of the Technical Committee for the EIA Study ("Official Gazette of RS" No. 69/05)
- Regulations on permitted noise level in the environment ("Official Gazette of RS" No. 72/10)
- Decree on establishing classification of water bodies ("Official Gazette of SRS" No. 5/68)
- Regulations on hazardous pollutants in waters ("Official Gazette of SRS" No. 31/82)
- Based on the document "Transposition and implementation of environmental and climate change acquis - chapter 27: status and plans"¹⁹ it is expected that by the end of 2017 the amendments will be made to the following regulatory documents:
 - Adoption of the Decree on Amendments to the Decree that prescribes list (I) of projects for which an impact assessment is mandatory and list (II) of projects for which an impact assessment may be required.
 - Adoption of the Law on Amendments to the Law on Environmental Impact Assessment.
 - Adoption of the Amendments to the following bylaws:
 - Rulebook on the procedure of public access, presentation and public debate on the environmental impact assessment study;
 - Rulebook on the work of the Technical commission in assessment of the environmental impact assessment study;
 - Rulebook on the content of application for determining screening and on the content of application for determining scope of the EIA study;
 - Rulebook on the content, layout and methods of managing a public register on conducted procedures and adopted decisions related to environmental impact assessment;
 - Rulebook on the content of the environmental impact assessment study.

Law on Environmental Protection

The Law on Environmental Protection (LEP), following the one from initially adopted in 2004, was adopted in 2016. The LEP is currently the main legislation relating to environment protection in Serbia. The main objectives of LEP are:

- Sustainable management, preservation of the natural balance, integrity, diversity and quality of natural resources and conditions for survival of all living beings;
- Prevention, control, reduction and remediation of all forms of pollution to environment.

The main thematic objectives of the LEP are:

- Management of natural resources (Utilization and protection of public natural goods, utilization of space, public green areas, protection of natural values (soil, water, air, forests, biosphere and biodiversity, flora and fauna, trade in protected species), waste management, noise and vibration protection and radiation protection);
- Measures and conditions for environmental protection (prevention, planning and construction, spatial planning, SEA, EIA, IPPC, accident risk assessment, values for emissions,

¹⁹ http://www.pregovarackagrupa27.gov.rs/?wpfb_dl=71

environmental management system, eco-labelling, hazardous waste management and safety procedures);

- Environmental monitoring;
- Information on disclosure of information and public participation.

Law on Environmental Impact Assessments

The Law on EIA (LOEIA) provides categorization of industries and projects and identifies types of environmental assessment required against respective categories of industries or projects.

The Law covers, among others:

- Declaration of ecologically critical areas;
- Classification of industries and projects into 2 categories;
- Procedures for issuing the Final Environmental Approval (FEA); and
- Determination of environmental standards.

LOEIA also contains the procedures for obtaining FEA from the Department of EIA for different types of proposed industries or projects.

To implement the Law on Environmental Impact Assessment, a government decree determines the list of projects for which an impact assessment is mandatory or may be required in accordance with the relevant EU directives 97/11/EC and 337/85/EEC. Public participation is also envisaged in all environmental impact assessment stages. All subsidiary regulations were adopted in 2005.

Public information and public participation in decision-making have been introduced in line with EU Directive 2003/35/EC on public participation.

Law on Waste Management

The Law on Waste Management, which is harmonized with all relevant EU directives, has been adopted in 2009 and amended in 2010 and 2016 to contain provisions that relate to persistent organic pollutant waste and polychlorinated biphenyl and/or polychlorinated terphenyl waste. It includes waste categorization, management systems and procedures.

Law on Protection against Environmental Noise

The Law on Protection against Environmental Noise, adopted in May 2009, transposed EU Directive 2002/49/EC. The Law has the following main goals: establishment, maintenance and improvement of the system of noise protection on Serbian territory; and determination and realization of measures in the field of noise protection that avoid, prevent or decrease the harmful effects of noise on human health and the environment. Other goals are: determination of the limit values of noise levels in the environment in view of area, facilities and/or public (population) sensitivity, as well as in view of noise source; determination of the level of noise exposure in the environment; and public access to the information about noise and its effects. The levels of noise are covered by the Regulation on permitted level of noise in the environment.

Law on Water

The Law on Water ("Official Gazette of RS" No. 30/10, 93/12), which incorporates the EU Water Framework Directive, covers water regimes, water management areas, responsibilities for water management (including sub-law water management legislation), water management activities, limitation of owners' and beneficiaries' rights, water cooperatives, financing of water management activities, and administrative inspection to enforce the Law. The legislation provides for various

water management sub-laws on water resource conditions, water resource compliance and water resource permits.

Law on Occupational Safety and Health

The Law on Occupational Safety and Health regulates the occupational safety and health system in Serbia. By harmonizing this law with the ratified International Labor Organization conventions and EU Framework Directive 89/391/EEC, as well as special directives derived from the Framework Directive, all guidelines originating from them have been accepted in a form adjusted to national conditions. Apart from this Law, the regulatory framework of the occupational safety and health system is integrated by several sub-acts.

Legal requirements relevant to the Proposed Project

Apart from LEP and LOEIA, all other policies, strategies and legal instruments do not explicitly require any environmental assessment of the Project-related activities. Most of the policies, strategies and legal instruments emphasize the need to consider the environment during project planning and implementation without any explicit environmental categorization for the proposed activities. Project owners are expected to ensure, on a case-by-case basis, that principles of sound environmental management are incorporated in sub-project planning, design, implementation, and operation and maintenance.

In the legislative system of the Republic of Serbia, as regulated by the Law on Environmental Impact Assessments, drafting an Environmental Impact Assessment is not required for activities foreseen by the Proposed Project (improving and extending the existing TA infrastructure and construction of the new TA infrastructure, as well as improving the design and physical outlay of current TA facilities) if the final usable surface area of the new construction does not exceed 60.000 sqm or if it is going to be constructed in the specially protected area with particular natural and/or cultural values.

National social legal framework

The Constitution of RS

Passed in 2006 (the constitution was approved in the constitutional referendum of 2006, held from the 28-29th of October). It was officially proclaimed by the National Assembly of Serbia on November 8, 2006), the Constitution of RS proclaims the rule of law and social justice, principles of civil democracy, human and minority rights and freedoms, and commitment to European principles and values. Article 58 generally acknowledges and guarantees peaceful tenure of a person's own property and other property rights legally acquired. It states that right of property may be revoked or restricted only in public interest established by law and with compensation which cannot be less than market value. It is important to note that the Constitution of RS prohibits the payment of a compensation less than the "market value", but allows the payment over the established market value. The provisions of the Constitution also do not make formal difference between property constructed without a construction permit and the ones acquired with the valid construction permit. The Constitution further proclaims that all human rights (including the right of property) and minority rights guaranteed by the Constitution shall be implemented directly. Furthermore, Article 16 states that all general accepted rules of international law and ratified international treaties shall be an integral part of the legal system in the Republic of Serbia and applied directly.

The Law on foundations of property law relations

The Law on foundations of property law relations ("Official Gazette of the SFRY", No. 6/80, 36/90, "Official Gazette of the FRY", No. 29/96 and "Official Gazette of the RS", No. 115/2005) stipulates fundamental provisions of property relations, including ownership rights substance, subjects of ownership rights, co-ownership and joint ownership rights, acquiring the right of ownership, right on yields emanating from owned thing, possession rights, ownership acquired by adverse possession, ownership relations deriving in situations when structures was built on someone else's land, protection of ownership rights, protection of possession, cessation of ownership rights, etc.

The Planning and construction law

The planning and construction law ("Official Gazette of the RS", No. 72/09 of September 3, 2009, corr. "Official Gazette No. 81/09 (Corrigendum), changed by Constitution Court of RS ruling 64/10 (CC), 24/11, 121/12, 42/13 (CC), 50/13 (CC), 98/13 (CC), 132/14 145/14 governs the following issues: the conditions and modalities of spatial planning and development, the development of general and detailed regulation plans, the development and use of construction land and the construction of facilities, predominant use of land when the land has multiple uses, public use of land and other issues of significance in the development of space, landscaping and use of construction land and the construction of facilities. This Law states that social and population issues are to be considered in the development of all planning documents such as spatial plans, urban plans, regulation plans, project designs, etc.

The Regulation on the Content and Scope of Preliminary Works, the Preliminary Feasibility Study and the Feasibility Study (Official Gazette of the RS, No. 1/2012) explicitly requires that any need for resettlement and expropriation are described in the preliminary feasibility and final feasibility study.

Building legalization law

The Building legalization law ("Official Gazette of the RS ", No. 96/15 dated November 26, 2015) regulates the conditions, procedure and manner for legalizing buildings, parts of buildings, auxiliary

buildings and other buildings constructed without a building or construction permit. The custom of constructing complete buildings (houses, shops, even apartment buildings), or adding auxiliary buildings to existing, legal building (garage, additional floors on houses or rooms) without a construction permit became quite usual in last 30 years. The governments over the years always maintained the intention to legalize all illegally constructed buildings, if constructed on own land and/or with consent of the owner, but a fair portion of the existing buildings have not yet been legalized.

The Law on Extra-Judicial Proceedings

The Law on Extra-Judicial Proceedings ("Official Gazette of SRS", No. 25/82 and 48/88, amended "Official Gazette of the RS" No 46/95, 18/2005, 85/2012, 45/2013, 55/2014, 6/2015 and 106/2015) defines the rules by which courts decide on personal, family, property-related and other rights and legal interests, which are resolved in extra-judicial proceedings, pursuant to the Law. In accordance with this Law, the court in extra-judicial proceedings determines compensation for an expropriated property after it establishes the important facts and approves a decision which defines the type and amount of compensation. According to this Law, participants may conclude an Agreement about type and amount of compensation, and the court will then base its decision on their agreement, if the court finds that the agreement is not contrary to mandatory regulations.

The Admirative Procedure Law

The law currently in effect was adopted in 1997. ("Official Gazette of FRY", No. 33/97 and 31/2001; and "Official Gazette of RS", No. 30/2010 regulates the manner in which state institutions must act when deciding on rights, obligations or legal interests of individuals, legal persons or other parties, within the framework of administrative procedures. Decisions by administration bodies are approved in form of a decree, after completing the procedure as prescribed by this Law. The party has the right to appeal against the decision approved in first instance. Only the Law may prescribe that in certain administrative issues appeals are not permitted, if the protection of rights and legality is ensured in some other way.

The Law on State Survey and Cadaster

The Law on State Survey and Cadaster ("Official Gazette of the RS" No 72/2009, amended on 18/2010, 65/2013 and 15/2015) regulates the professional activities and affairs of the state administration related to land, buildings and other structures survey, real estate cadaster, records and registration of property, registration of possession, registration of illegal buildings and buildings legalized according to provision of the latest Building Legalization Law of RS, utilities cadaster, basic geodetic works, address register, topographic and cartographic activities, valuation of real estate, geodetic and cadastral information system.

The Law on Expropriation

This Law (passed in 1995 and enacted on January 1, 1996, amended in March 2001, amended again on March 19, 2009, and 2013 by the Constitutional Court ruling) enables government institutions to acquire property for projects that are deemed to be of public interest, while protecting the interests of all persons with legal title, whose assets are to be expropriated. The Law on expropriation does not use the term "involuntary resettlement", but instead uses the term "expropriation" and is based on the Governments eminent domain power. The law also enshrines the principle of fair compensation according to "market value" of the property. Amicable agreements are encouraged by this Law, as the Beneficiary of Expropriation and the affected person can conclude an amicable

agreement on compensation, until the first-degree decision on expropriation is passed (Article 57) and with that, the expropriation process will be terminated. The agreed price will be paid and ownership transferred. If an agreement is not reached, the municipal property administration is obliged to facilitate a meeting to encourage the conclusion of a compensation agreement (Article 56); if such an agreement is not reached within two months of the decision on expropriation becoming legally binding, the case is referred to the relevant court to pass a decision on compensation (Article 61).

The Law on Housing and Building Maintenance

This Law (Official Gazette of the RS 104/2016) requires the development of a resettlement plan for persons occupying illegal structures located on land not belonging to them (Article 82). This Law states that physical displacement of persons who have no legal rights to the land they occupy is carried out for the construction of investment projects only if it can be proved that there is no alternative for resettlement and the settlement (or part of the settlement) cannot remain in the existing location (Articles 78, 81). The decision on the necessity of resettlement and resettlement plan have to include the following information:

- Reasons for resettlement
- Map of the area which will be resettled with a presentation of affected land plots.
- Total number of households and persons who are to be resettled.
- The dynamic and deadlines for resettlement
- Identification data for people who are to be resettled (name, surname and personal ID number)
- The location of resettlement and type of accommodation

6. WORLD BANK SAFEGUARD PROCEDURES

The World Bank has developed and implemented its Safeguard Policies with the main aim to ensure prevention, mitigation and compensation of adverse impacts of project development to the community where the project is implemented, to the environment, nature, human health and cultural sites and objects. A short summary of relevant World Bank's Safeguard Policies is presented below, while the entire texts are located at the WB website. The list of triggered safeguard policies is presented below.

Triggered Safeguard Policies

Safeguard Policies triggered by this Project are presented below in Table 1.

Safeguard Policies	Triggered	Not triggered
Environmental Assessment OP/BP 4.01	X	
Physical Cultural Resources OP/BP 4.11	X	
Involuntary Resettlement OP/BP 4.12	N/A ²⁰	

Table 1. Safeguard Policies triggered by this Project

OP/BP 4.01 ENVIRONMENTAL ASSESSMENT

The Bank requires Environmental Assessment (EA) of projects proposed for Bank support to ensure that they do not have, or mitigate potential negative environmental impacts. The EA is a process whose breadth, depth, and type of analysis depend on the nature, scale, and potential environmental impact of the proposed project. The EA evaluates a project's potential environmental risks and impacts in its area of influence; examines project alternatives; identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout project implementation. The EA takes into account the natural environment (air, water and land); human health and safety; social aspects; and trans boundary and global environmental aspects. The Borrower is responsible for carrying out the EA and the Bank advises the Borrower on the Bank's EA requirements. The Bank classifies the proposed projects into three major categories, depending on the type, location, sensitivity, scale of the project and the nature and magnitude of its potential environmental impacts.

This project falls into the **category B** concerning **OP/BP 4.01 ENVIRONMENTAL ASSESSMENT**, as its potential adverse environmental impacts on human population or environmentally important areas-including wetlands, forests, grasslands, or other natural habitats are site specific, with only a few, if any of them, possibly irreversible.

- **Category A:** The proposed project is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.

²⁰ At the time of completion of this document, the final decision if Involuntary Resettlement OP/BP 4.12 is triggered has not been made, as per the information received from the WB through STA. The final decision on the extent and locations for interventions presented in Project Component 5. has not been made at the time of completion of this document. If the extent and locations for interventions presented in Project Component 5. remain not defined, OP/BP 4.12 should be considered triggered.

- **Category B:** The proposed project's potential adverse environmental impacts on human population or environmentally important areas-including wetlands, forests, grasslands, or other natural habitats- are less adverse than those of Category A projects. These impacts are site specific; few if any of them are irreversible; and in most cases migratory measures can be designed more readily than Category A projects.
- **Category C:** The proposed project is likely to have minimal or no adverse environmental impacts.

OP/BP 4.11 PHYSICAL CULTURAL RESOURCES

Physical cultural resources are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Their cultural interest may be at the local, provincial or national level, or within the international community. Physical cultural resources are important as sources of valuable scientific and historical information, as assets for economic and social development, and as integral parts of a people's cultural identity and practices. The Bank assists countries to avoid or mitigate adverse impacts on physical cultural

At the time of completing this document, it is not possible to ascertain if any of the activities financed by this project will fall into either of the three categories under OP/BP 4.11 (a, b or c). Potentially, actions under Sub-component 3.1 of Component 3 and Component 5 may trigger this safeguard OP/BP and have to be addressed in site-specific EA/EMP documents during Project implementation as a part of the design of the civil works related activities.

resources from development projects that it finances. The borrower addresses impacts on physical cultural resources in projects proposed for Bank financing, as an integral part of the environmental assessment (EA) process. When the project is likely to have adverse impacts on physical cultural resources, the borrower identifies appropriate measures for avoiding or mitigating these impacts as part of the EIA process. These measures may range from full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.

As a part of the environmental screening process, it is determined whether the project (a) will involve significant excavations, demolition, movement of earth, flooding or other environmental changes; or (b) will be located in, or in the vicinity of, a physical cultural resources site recognized by competent authorities of the borrower; or (c) is designed to support management of physical cultural resources. If the project has any of the characteristics set out in (a) or (b), it is assigned to either Category A or B, in accordance with OP 4.01, Environmental Assessment. If the project has the characteristic set out in (c), it is normally assigned to either Category A or B.

OP/BP 4.12 INVOLUNTARY RESETTLEMENT

Projects which are funded by a WB loan, triggering land acquisition and involuntary resettlement are subject to OP/BP 4.12 (revision from April 2013). This policy is applied not only in the case of physical resettlement, but also upon appearance of any loss of income channels or means of livelihood consequential from resettlement or obstructed access to resources (land, water, or forest), resulting from project implementation or its associated facilities.

The policy applies to all components of the Project causing involuntary resettlement, regardless of the source of Project component funding. It further applies to other activities that cause involuntary resettlement, which are directly and significantly attributable to this Project, necessary to realize according to the goals defined in Project documents, and implemented, or are planned to be implemented with the Project.

General principles of the OP/BP 4.12 are as follows:

- i. Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- ii. Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- iii. Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher.

Further details on this issue are contained in other documents dealing exclusively with social impact of the Project.

Process of Environmental Assessment/site-specific EMP

Environmental Assessment instruments

Depending on the project, a range of instruments can be used to satisfy previously mentioned World Bank's EA requirements, and these are environmental impact assessment (EIA), regional or sectoral EA, environmental audit, hazard or risk assessment, and environmental management plan (EMP).

Environmental Screening

The World Bank undertakes environmental screening of each proposed project to determine the appropriate extent and type of EA. The World Bank classifies the proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.

The Tax Administration Modernization Project has been classified by the World Bank as a **Category B project**, with potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—that are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. The scope of an EA for a Category B project may vary from project to project. The EA examines the project's potential negative and positive environmental impacts and recommends measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B EA are described in the project documentation (Project Appraisal Document and Project Information Document).

It will be necessary to address the requirements of the OP/BP 4.11 Physical Cultural Resources in site-specific EA documents, as at the time of completion of this ESMF not all relevant information related to sites that are to be included in the Project are available. However, generally speaking, specific conditions of the Institute for Culture Heritage of Serbia need to be observed. In case that the site(s) are located within the “protected urban localities” or are under any other form of cultural protection – site-specific Cultural Heritage Protection Plan(s) need to be prepared in line with OP/BP 4.11.

Public Consultations

For Category B projects proposed for financing, during the EA process, the borrower consults project-affected groups and local non-governmental organizations (NGOs) about the project's environmental aspects and takes their views into account. The borrower initiates such consultations as early as possible.

Disclosure

For meaningful consultations between the borrower and project-affected groups and local NGOs on all Category B projects proposed for financing, the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted. Any separate environmental and/or technical report for a project proposed for financing is also made available to project-affected groups and local NGOs. Public availability of EA/ESMF/EMP in the borrowing country and approval by the World Bank of Category B EA/ESMF/EMP report for projects proposed for funding, are prerequisites to World Bank appraisal of these projects. Once the borrower officially transmits the Draft and Final versions of Category B EA/ESMF/EMP report to the World Bank, the World Bank makes it available through its Info-Shop.

Assessment of adequacy of National EA requirements to WB rules and procedures

Republic of Serbia has a comprehensive set of environmental laws and regulations aligned with the relevant EU directives, which are in most cases compatible with WB Operational Policy on

Environmental Assessment (OP/BP 4.01). All the key elements of a well-developed environmental impact assessment system – such as notification of the competent environmental authority, screening of the project to determine the needed level of environmental scrutiny, analysis of alternatives, licensing/permitting and public disclosure – are present in the LEP and associated regulations.

Republic of Serbia has a comprehensive set of laws and regulations addressing protection of physical cultural resources that are compatible with the OP/BP 4.11 Physical Cultural Resources. This concern, among others, actions such as construction of new facilities and handling items of potential cultural value, such as document and other items contained in paper archives.

Addressing environmental impacts and implementing environmental mitigation measures

During project implementation, the borrower regularly reports on (a) compliance with measures agreed with the World Bank on the basis of the findings and results of the EA, including implementation of any Environmental Management Plan (EMP), as set out in the project documents; (b) the status of mitigation measures; and (c) the findings of monitoring programs. The World Bank bases supervision of the project's environmental aspects on the findings and recommendations of the EA, including measures set out in the legal agreements, any EMPs, and other project documents.

The following chapter of this document deals with assessing environmental impacts and has the purpose to identify different kinds of impacts that might be associated with the planned project activities (handling and disposing of paper archives and design and construction of facilities) and identifies the most critical, overall environmental issues. The nature and scale of impacts have been determined by the type of interventions within the proposed project, i.e. handling and disposing of paper archives and design and construction of facilities.

Following the assessment of environmental impacts, chapters on environmental mitigation measures and environmental monitoring, that constitute integral parts of current Environmental Assessment, propose and suggest mitigation measures regarding project activities and outline basic monitoring indicators, timeframe procedures and responsibilities for proposed monitoring activities. The subsequent assessment of environmental impacts, related Environmental Mitigation Plan and Environmental Monitoring Plan should be considered as comprehensive guidance for the purposes of further planning and assessment of this Project, and for development of site-specific EMP(s) during project implementation.

It is necessary that the Project Implementation Team during Project implementation prepares a site-specific EMP(s), including sections of physical cultural resources if applicable, for the new STA Head Office, based on the information/plans presented below. It is necessary that this site-specific EMP(s), will be publicly disclosed and included in the bidding documents, while designers and contractors will have an obligation to implement mitigation measures as defined in the site-specific EMP. As outlined below, site supervisors will have to document compliance with site-specific EMP or order remedial measures to be implemented. Monitoring and reporting of EMP implementation will be detailed in the Project Operational Manual, to be developed during the Project preparation phase.

Institutional arrangements

Final responsibility for ensuring timely preparation of site-specific EMP according to requirements of national legislation and in line with WB procedures, will lie within the Project Preparation/Implementation Unit within STA. In performing this task, the Unit will liaise with the relevant authorities, Ministry of Finance of the Republic of Serbia and other national bodies and authorities as may be defined in relevant national legislation, as well as with the World Bank. Before inclusion in the technical documentation and bidding documents, the site-specific EMP(s) will have

to be publicly disclosed and subject to public consultations, as well as reviewed and approved by the World Bank, in addition to procedures required by the national legislation.

Financing

The cost of drafting the site-specific EMP shall be borne by STA that will be using the infrastructure funded by the project.

Process of Social Risk Assessment and mitigation measures

Social Impact Assessment and Mitigation instruments

Depending on the project, a range of instruments can be used to satisfy previously mentioned World Bank's requirements and these are the screening checklist for social impacts, site specific RAP/ARAP, and a social management plan (SMP).

The current project has been classified by the World Bank as a Category B project, with potential adverse social impacts on persons in the project area and their land, assets or access to assets. These impacts are site-specific and are most likely to occur under implementation of the Component 5.

Screening for social impacts

In cases when the exact social impact especially related to involuntary taking of land could result in:

- (i) relocation or loss of shelter;
- (ii)(iii) loss of assets or access to assets; or
- (iii)(iv) loss of income sources or means of livelihood, whether or not the affected persons must move to another location;

it is necessary to undertake social screening of the proposed project to determine the appropriate extent and type of social impact and prepare the appropriate social safeguard documents, to be developed in the future, if applicable.

Furthermore, the social impact assessment and mitigation instruments mentioned above will also identify increased risks of gender-based violence (GBV) and propose suitable mitigation measures that are in line with the World Bank's *Good Practice Note on Addressing Gender Based Violence in Investment Project Financing involving Major Civil Works*.

Institutional arrangements

The STA has final responsibility to:

1. **Conduct outreach and convene public consultations for the preparation of the ESMF.** This will entail stakeholder identification and analysis to inform inclusive project consultations. The consultations will include representatives of the stakeholder groups identified in the Community Engagement Plan, as presented in Annex 7.
2. **Ensure timely preparation of site-specific RAP/ARAP according to the requirements of national legislation and in line with WB procedures.** In performing this task, the PIU will liaise with the relevant authorities in recipient municipalities, MFRS and other national bodies and authorities as may be defined in relevant national legislation, as well as with the World Bank.

Financing

The STA will be responsible for the costs of preparing, implementing and monitoring the RPF (if required), the RAP/ARAP and other safeguards instruments. These will be financed by the funding allocated for the project's component on infrastructure.

6. ENVIRONMENTAL AND SOCIAL IMPACTS

Environmental impacts. The impact identification and assessment process of activities foreseen by the Project, as presented in subsequent chapters, are to be carried out against the baseline conditions identified in this document. These aim to identify any environmental sensitive areas, value/sensitivity of resources and receptors and the proposed actions/activities that may significantly impact the environmental or socio-economic conditions during any of the project phases. The presented environmental assessment covers all project activities that will be undertaken during the following phases: decommissioning, reconstruction, rehabilitation or construction and operation of the PURS HQ facility or any other activity that may be implemented under this Project. In order to assess the impacts of activities the following assessment criteria are used: type of impact, reversibility, geographical extent, magnitude, duration of the impact, likelihood of appearance, extent /location where impact occurs and timing of the occurrence. In assessing the level of impacts that the project action/activity would cause, two key criteria were considered: Consequences/Significance: the resultant impact (positive or negative) of an activity's interaction with the legal, natural and/or socio-economic environments (categorization presented in Table 1 below) and Likelihood that an impact will occur (categorization presented in Table 2).

Consequence Category	Definition
Significant	Most severe, alternative will be proposed through environmental hazard risk management
Major	Severe, alternative/avoidance will be proposed through environmental hazard risk management
Moderate	Less severe, measures will be proposed to minimize impact
Minor	Less severe, mitigation measures will be proposed
Negligible	Less severe. Mitigation and enhancement measures will be prepared if possible
None	No impact, enhancement measures will be prepared if possible
Positive	Positive impact

Table 1. Impact assessment – Consequences

Likelihood Category	Definition
Certain	Activity will occur under normal operating conditions
Very likely	The activity is very likely to occur under normal operating condition.
Likely	The activity is likely to occur at some time under normal operating conditions
Unlikely	The activity is unlikely to but may occur at some time under normal operating conditions
Very unlikely	The activity is very unlikely to occur under normal operating conditions but may occur in exceptional circumstances.

Table 2. Impact assessment – Likelihood

The above mentioned criteria should be used during environmental and social impact assessments of actions to be implemented under the Project Sub-component 3.1 of Component 3 and Component 5. The template for environmental impact assessment is presented in Annex 1, while templates for Environmental and Social Monitoring Plans are presented in Annex 2. During project implementation, regular monitoring needs to be performed in order to check the implementation of OH&S and environmental mitigation measures proposed within individual site-specific

Environmental Management Plans (EMPs). The template of the Site visit monitoring report is presented in Annex 3.

Social Impacts. Civil and construction works are only to be expected under implementation of Component 5. that includes construction of new STA HQ. As the location of this facility is not known at the time of completion of this ESMF, the need for and extent of resettlement, land acquisition and its social impact in terms of land acquisition and resettlement also remain unknown. The need for drafting of the Resettlement Policy Framework (RPF), in accordance with the World Bank Policy on Involuntary resettlement OP 4.12 will be decided at a later date. The assessment of social impacts has identified that the actual probability of any involuntary resettlement arising during Project implementation is likely, but minor in scope, due to Project nature and type of planned works. It is expected that the facilities and land where works will take place are public/state-owned. Notwithstanding the assessment, if any involuntary resettlement should be required, under any component of the Project, it shall be governed by principles and rules presented in this ESMF.

Potential impacts associated with implementation of this Project, if they should occur, would most likely be loss of land, loss of assets and loss of access to assets. However, screening of individual sites will take place as per Social Screening Checklist presented in Annex 4 and as described in more details earlier in the document. If the screening should be positive to any of the targeted impacts adequate resettlement tools will be prepared in the form of RAP/ARAP, if needed.

Besides physical and economic displacement during construction works some other social impacts are likely to occur. Special mitigation measures have been designed and are presented in the Social Mitigation Plan, as presented in chapters below.

7. ENVIRONMENTAL AND SOCIAL MITIGATION PLANS

Generic EMP - Environmental Mitigation Plan

Potential Environmental Impact	Impact scale	Proposed mitigation measures	Responsibility
Project Activity: Records Management and Archiving			
OH&S issues <ul style="list-style-type: none"> Possible adverse health impacts on workers and facility users due to exposure to poor quality of indoor air, elevated concentrations of formaldehyde, solvents (Volatile Organic Compounds), asbestos, dusts and mold, presence of dust mites, and pests, and inadequate temperature, humidity and fragrance sensitivity Electrical shock and/or fire due to cable insulations being worn out, electric leakage in electrical equipment Failure to take necessary fire-fighting measures High concentration and disorganization of wiring and piping Possible injury to people and facility users due to ongoing works Non-compliance with local community safety regulations 	Local/ short term/certain to happen/ high significance	<ul style="list-style-type: none"> <u>Health and Safety Plan</u>: Contractor will be required to identify potential hazards and proposed relevant mitigation measures, including, provisions for emergency responses. This plan will ensure, at least, the following: <ul style="list-style-type: none"> Provision for a safe work environment and provide safety measures and protective equipment to all workers. Provision of first aid facilities on-site and employ a trained first aid person, in accordance with the Law on Safety and Health at Work. Keep the site free of drugs and alcohol. Contractor is responsible to ensure workers are properly certified to use the equipment. Work must be performed by a competent worker or under the direct supervision of a competent worker with the requirement to use safety or protective equipment; Workers must be familiar with all work practices and procedures before starting work at each work site and workers who may be required to use safety or protective equipment must be competent in the application, care, use, maintenance and limitations of that equipment; Workers to be engaged in records management and archiving must be certified for relevant safety procedures; Undertaking periodical checks of electrical installations is required and immediate replacing of defective and worn-out cables and other parts not conforming to the standards; Additional measures should be taken to protect facilities against fire, such as increased number of fire extinguishers; Insulating the electrical switchboards, placing an insulated mat in front of electrical switchboards and installing residual current relays; In order to avoid the potential electrical leakage and the resulting fire, all cables should be organized and arranged in conduits; Printed instructions for a fire condition have to be in place, fire trainings have to be presented to workers handling the archives and staff, fire-fighting equipment must undergo regular maintenance to be properly documented, warning signs showing emergency escape routes during a fire must be attached and clearly presented and such routes must be kept clear (tables, chairs, cabinets, etc. should be removed); Avoid manual overload; Adequate warning tapes and information signs around the facility during activities related 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor

		<p>to records management and archiving need to be provided and maintained during the works;</p> <ul style="list-style-type: none"> • Protection of staff, clients and general population - fence the area and prevent access of non-authorized personnel to archive site; • Surrounding area of the archive facility should be kept clean, without waste; • Separate work areas and occupied areas of facilities as much as possible using physical barriers; • Limit pedestrian traffic between work areas and occupied areas of the buildings; • Follow safety guidelines for the storage, transport, and distribution of hazardous materials to minimize the potential for misuse, spills, and accidental human exposure; • Perform regular maintenance of equipment to minimize potentially serious accidents caused by equipment malfunction or premature failure; • Use labeling and placarding. 	
<p>Waste generation Possible adverse environmental and health effects could occur due to inappropriate waste management of paper and other waste streams</p>	<p>Local/ short term/certain to happen/ high significance</p>	<ul style="list-style-type: none"> • Preparation of Waste Management Plan for expected waste streams (mainly paper) and its approval, within 15 days of starting the activities on site. This Plan must be reviewed and approved by the site supervisor. • Identify hazardous and non-hazardous waste and separate them on site; • The majority of waste would be classified as paper waste (Index number 20 - municipal wastes (household waste and similar commercial, industrial and institutional wastes, The National Waste Management Strategy for the Period 2010-2019, "Official Gazette of RS" no. 29/2010) including separately collected fractions and managed in accordance with national waste legislation for inert waste (separation at the spot, collection and temporary storage, re-use if it is possible, recycling, transport to the final deposition site); • Small quantities of packaging waste, screws and other construction material could be found after the finalization of the project and managed in accordance with national legislation (collection of hazardous materials, labeled as hazardous waste and given to the authorized company); • Contract with company for waste collection and transportation should be signed for collection and transportation of waste; • Recycling of recyclable waste must be ensured; • The materials should be covered during the transportation to avoid waste dispersion. 	<ul style="list-style-type: none"> • Contractor –Bidder • Supervisor
Project Activity: Design activities			
<p>Possible adverse environmental, health and safety impacts due to poor design and planning</p>	<p>Local/ short term/unlikely to happen/ major significance</p>	<ul style="list-style-type: none"> • <u>Relevant permits</u> must be obtained prior to any construction works (Information about the location, Location Permit (including an extract from the cadastral register of underground installations is issued by the Republic Geodetic Bureau, Department of Real Estate Cadaster); Approval of the location and the project documentation for fire protection (issued by the Serbian Ministry of Internal Affairs, Department for Emergency Situations) and Water Management permit, especially if the new facility is located near the riverbed, (issued by Public Enterprise "Srbijavode"), Construction Permit and Utilization permit for projects of constructing new facilities and reconstruction of the existing ones regardless; 	<ul style="list-style-type: none"> • Design engineers/Architects

		<ul style="list-style-type: none"> In addition to addressing the requirements of the Mitigation Plan, the following additional documents will be produced during the design phase: <ul style="list-style-type: none"> <u>Site Organization Plan</u>: to incorporate environmental, health and safety protection measures that meet legal requirements (including the measures defined in this EMP), particularly taking into account transportation routes that should minimize adverse effects to nearby communities and environmental resources. <u>Soil Management Plan</u> detailing measures to be undertaken to minimize effects of wind and water erosion on stockpiles, measures to minimize loss of fertility of topsoil, timeframes, haul routes and disposal site; <u>Waste and wastewater management plan</u>. All construction waste materials including drums, lumber, sand and gravel, cement bags etc. are to be suitably disposed of. If these cannot be recovered for scrap value these materials should be taken to an approved landfill sites for safe disposal. The Plan should cover all aspects of waste management, including implementation of practice standards such as reduce, re-use and recycle. It should specify final disposal alignments for all waste and demonstrate compliance to national legislation and best practice procedures on waste management. The Plan will, as a minimum, include details of temporary waste storage, waste transfer and pre-treatment prior to final disposal or recycling. Licensed/approved facilities for solid and liquid waste disposal must be used and a duty of care and chain of custody for all waste leaving the site will be followed. 	
Inadequate application of EMP due to weak linkages of EMP with other contract documents	Local/ short term/likely to happen/ major significance	<ul style="list-style-type: none"> EMP is to become integral part of the bid and contract documents. It is the Contractor's obligation to cost the implementation of the environmental mitigation measures in his overall cost. The Contractor will be required to provide a short statement that confirms that EMP conditions have been costed into the bid price. 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor
Project Activity: Civil Works – General Provisions			
Possible adverse environmental, health and safety impacts due to absence or non-observance of relevant procedures	Local/ short term/likely to happen/ major significance	<p>The Supervisor will be required to confirm that the following documents have been prepared by the Contractors:</p> <ul style="list-style-type: none"> <u>Sewage management plan</u> for provision of sanitary latrines and proper sewage collection and disposal system to prevent pollution of watercourses during the execution of civil works; <u>Oil and fuel storage management plan</u>. The Contractor's Plan should cover all procedures for storage, transportation and usage of oils and fuels, refueling of machinery and procedures for minimizing the risk of ground and water contamination. All oils and fuels will be required to be stored within secondary containment of 110 % capacity and all spillages shall be cleaned up immediately. Re-fueling vehicles will carry Spill Kits to enable spillages to be cleaned up as soon as possible. <u>Emergency response plan</u>. The Contractor's Plan should contain procedures for emergency response in the event of accidents or major incidents, in order to safeguard people, property and environmental resources. Details of the spill response equipment to 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor

		<p>be provided on site are to be specified.</p> <ul style="list-style-type: none"> • <u>Noise Reduction Plan</u> to ensure that equipment is licensed and approved in accordance with EU standards. This applies to all machinery, vehicles and construction sites where noise and vibration may affect susceptible receptors. The contractor will be responsible for ensuring that noise and vibration does not affect the adjacent communities, in accordance with the Law on Noise Protection. • <u>Rehabilitation Plan</u>: Rehabilitation of construction sites and removal of contractor's facilities following successful completion of construction activities. This includes removal of all waste materials, machinery and any contaminated soil, if any. The contractor will develop a plan for handover, removal of all plant, vehicles and machinery to ensure that no unserviceable items are left on the construction site, in accordance with the Law on Waste Management and Law on Environmental Protection. • <u>Grievances Plan</u>: detailing the means by which local people and other project affected persons can raise grievances arising from the rehabilitation process and how these will be addressed (e.g., through dialogues, consultations, etc.) ; • <u>Health and Safety Plan</u>: Contractor will be required to identify potential hazards and proposed relevant mitigation measures, including, provisions for emergency responses. This plan will ensure, at least, the following: <ul style="list-style-type: none"> • Provision for a safe work environment and provide safety measures and protective equipment to all workers, including hand, head, eye and ear protection and safety footwear. • Provision of first aid facilities on-site and employ a trained first aid person, in accordance with the Law on Safety and Health at Work. • Supplies of potable water, toilets and wash water to the workers. • Keep the site free of drugs and alcohol. • Contractor is responsible to ensure workers are properly certified to use the equipment • Contractor is insured against accidents. • Contractor has qualified and experienced persons on the Contractor's team who will be responsible for implementation of the environmental compliance requirements as stated in EMP; • Contractor (and its sub-contractors) will comply with Republic of Serbia national laws and Lender requirements. 	
Project Activity: Demolition of old facilities and construction of new facilities			
OH&S issues Possible adverse health impacts on workers, facility users and general population in the community due to: <ul style="list-style-type: none"> • Location of facility in an urban area 	Local/ short term/certain to happen/ high significance	<ul style="list-style-type: none"> • Adequate warning tapes and information signs around the facility during demolition and around construction sites need to be provided and maintained during the civil works; • For construction workers - legally prescribed health and safety measures should be applied: a) use of appropriate protective clothing and equipment (masks against dust, wooden fragments and fibers, and safety harnesses for work at heights; b) Maintain a good level of personal hygiene; c) Health protection-first aid kits and medical service on 	<ul style="list-style-type: none"> • Contractor –Bidder • Supervisor

<ul style="list-style-type: none"> • Possible injury to workers and members of general public due to ongoing works • Non - compliance with local community safety regulations 		<p>sites need to be provided during the works;</p> <ul style="list-style-type: none"> • Protection of pedestrians and general population - fence the area and prevent access of non-authorized personnel to construction site; • Organize 24-hour surveillance of the site; • Surrounding area of the facility should be kept clean, without waste; • Old windows and doors should be temporarily placed in a that prevent access of unauthorized persons on • Demolition activities should be conducted outside of normal working hours of the facility, if applicable; • Separate work areas from demolition and occupied areas, if any, of facilities as much as possible using physical barriers; • Limit pedestrian traffic between work areas and occupied areas, if any, of the buildings; • Construction site should be lighted during the nights; • Follow safety guidelines for the storage, transport, and distribution of hazardous materials to minimize the potential for misuse, spills, and accidental human exposure; • Remove broken windows glass immediately; • Perform regular maintenance of vehicles to minimize potentially serious accidents caused by equipment malfunction or premature failure; • Use labeling and placarding (external signs on transport vehicles). 	
		<ul style="list-style-type: none"> • Cleaning routines of facilities should be increased to address extra dust and dirt created by demolition/construction works; • Information that demolition works are ongoing should be posted. 	<ul style="list-style-type: none"> • Municipal staff (Communal Inspector/Environmental Inspector) • Contractor –Bidder
<p>Waste generation Possible adverse environmental and health effects could occur due to inappropriate waste management of various waste streams</p>	Local/ short term/certain to happen/ high significance	<ul style="list-style-type: none"> • Preparation of Waste Management Plan for expected waste streams during the decommissioning and construction phases and its approval, within 15 days of starting the activities on site. This Plan must be reviewed and approved by the site supervisor. • Identify hazardous and non-hazardous waste and separate them at the demolition/construction site; • The majority of waste would be classified under the Waste Chapter 17 “Construction and demolition wastes” with the waste code 17 01 – Waste from concrete, bricks, 17 09 04 – Mixed waste from construction site including glass from old windows and manage in accordance with national waste legislation for inert waste (separation at the spot, collection and temporary storage, re-use if it is possible, transport to the final deposition site); • Small quantities of glue, paint, packaging waste from paint, glue and solvents, aluminum profiles, screws and other construction material could be found after the finalization of the project and managed in accordance with national HW legislation (collection of hazardous materials, label as hazardous waste and give to the authorized company); • Contract with company for waste collection and transportation should be signed for 	<ul style="list-style-type: none"> • Contractor –Bidder • Supervisor

		<ul style="list-style-type: none"> collection and transportation of waste including old windows and doors; The materials should be covered during the transportation to avoid waste dispersion; On-site open incineration of construction waste is prohibited. 	
		<ul style="list-style-type: none"> Old windows and doors should be stored temporary in a separate room on the site or if this is not possible outside of the facility, covered and labeled “not to open/uncover” until final disposal. 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor
Water pollution Possible environmental impact on the underground water could occur due to ground contamination from spillage of materials such as vehicle fuel, motor oils, lubricants and improper dismantling of boilers and fuel reservoirs	Local/ short term/medium significance/low probability	<ul style="list-style-type: none"> Possible hazardous waste (motor oils, vehicle fuels, lubricants) should be collected separately and authorized company should be sub-contracted to transport and finally dispose hazardous waste; Dismantling of equipment (fuel reservoirs, boilers) should be done by trained persons in order to avoid potential effects of oil spills on soil, which would contaminate the underground water. 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor
Noise pollution Construction activities and traffic will cause noise and vibrations due to machinery and vehicles used for transportation of construction materials, transportation of workers, and transportation of waste produce in decommissioning and construction phase	Local/ short term/medium significance/certain to happen	<ul style="list-style-type: none"> Equipment used should be fitted with appropriate noise reduction devices; The level of noise should not exceed national limited values for (depends on the area of protection where works take place), i.e. 55 dB during the day and evening and 45 dB during the night; Construction works should not be permitted during nights, the operations on site should be restricted to the period 7.00 AM -7.00 PM; Excessively noisy vehicles should not be operated until corrective measures are taken. 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor Local communal and environmental inspectors
Air pollution Decommissioning and construction activities will generate emissions from mobile sources (vehicles and construction machinery) of CO ₂ , NO _x , PAH, SO ₂ and suspended particulates (PM ₁₀ , PM _{2.5}). Airborne dust will be caused by dismantling of the equipment, excavation, vehicle movement and handling with materials, particularly around the construction site.	Local/Short term/low significance/certain to happen	<ul style="list-style-type: none"> Usage of protective masks for the workers; Vehicles and construction machinery will be required to be properly maintained and to comply with relevant emission standards; Conduct regular maintenance of vehicles and construction machinery in order to reduce leakages of engine oils, emissions and dispersion of pollution; Vehicle loads have to be covered to prevent emission of dust; Construction site, transportation routes and materials handling sites should be water-sprayed on dry and windy days; Construction materials should be stored in appropriate covered places to minimize dust generation; Open incineration of debris will not be permitted; Restriction of the vehicle speed within the construction location. 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor Local communal and environmental inspectors
Project Activity: Removal of the asbestos containing construction elements, if any			
Possible adverse health impacts to the workers and general public as a result of emissions of asbestos fibers and dust during the removal of asbestos sheets, their transport and final disposal	Local/ short term/major impact on facility site	<ul style="list-style-type: none"> Post signs indicating” ASBESTOS REMOVAL – NO ADMITTANCE” should be placed on construction site; Restrict access to the removal area to those people directly involved in asbestos removal, site supervisor and municipal inspectors; Install barrier tapes and warning signs; 	<ul style="list-style-type: none"> Contractor –Bidder Supervisor

		<ul style="list-style-type: none"> • All construction workers must wear personal protective equipment (full body covering including the head, water proof foot and hand protection and eye protection, dust mask with special HEPA filters); • Maintain a good level of personal hygiene (facility for washing hands and face should be made available and needs to be used by each employee when leaving the work area, all protective clothing and equipment shall work in the work area, footwear is to be kept in the construction area until works are completed; • Health protection-first aid kits and medical service on sites need to be provided during construction works; • No smoking, drinking or eating is allowed inside the construction area; • Surrounding area should be kept clean, without ACM waste disposed there. ACM waste (roof sheets, side wall panels, pipes) need to be collected, packaged and immediately removed from facility site. 	
<p>ACM Waste management</p> <p>Possible adverse environmental impacts and health effects could occur due to inappropriate handling of asbestos-containing waste</p>	Local/ short term/major impact	<ul style="list-style-type: none"> • Persons in charge of removal of ACM roof sheets, side wall panels and pipes should be trained on appropriate techniques for safe dismantling ACM to minimize health risks; • Identification of asbestos containing materials – waste as a hazardous waste should be executed; • ACM waste need to be classified as a hazardous waste under the Waste Chapter 17 “Construction and demolition wastes” with the waste code 17 06 05* – Construction material containing asbestos in accordance with relevant national legislation; • ACM waste should be placed in polyethylene bags or other containers of at least 0.15 mm thickness; • Printed asbestos warning labels must appear on the outer surface of the container/bag warning that it is an “asbestos waste”; • Breaking of ACM roof sheets into smaller pieces to fit into container/bag is forbidden; • Roof sheets and/or sidewall panels and/or pipes should be handled very carefully and removed in one piece, not to be broken because during the break the asbestos fibers and dust appear and pose health risks; • Avoid temporary storage of roof sheets and/or side wall panels within the facility, but if it is necessary, precautionary measures should be applied – the ACM waste should be stored in a designated area with posted signage and/or caution tape to eliminate any possible access or damage; • Contract with the company for asbestos-containing waste collection and transportation should be signed for collection and transportation of asbestos-containing waste; • Following the removal of asbestos waste all surfaces in the facility need to be dusted with a damp cloth or vacuumed with a HEPA filter; • Workers who perform clean up should wear protective clothes as those who perform dismantling of roof sheets, side wall panels or pipes; • Contract with relevant landfill or other utility should be signed for final disposal of 	<ul style="list-style-type: none"> • Contractor –Bidder • Supervisor

		asbestos containing roof sheets, side wall panels and pipes; • Asbestos-containing waste should be disposed at the special area for disposal of that type of waste (responsibility of relevant landfill or other chosen utility) at the chosen landfill.	
Operational phase of the Project			
No environmental risks are expected. Positive impact (more space for facility users, new sport facilities, energy efficiency and energy savings, reduction of GHG emissions) is expected with construction of the new facilities.	Local/ short term/major at the location of facilities	• Fire prevention Plan should be prepared addressing fire risks and ignition sources, as well as measures needed to limit fast fire and smoke development. • Prevention Maintenance Plan for regular and preventive maintenance should be prepared to ensure proper operation of all infrastructure components of the facility (sewer system, storm-water system, water supply system, heating devices); • Procedure for keeping records should be established in order to ensure proper storage of all technical documentation; • A short training on keeping records and filing for housekeeping and administrative staff of the facility should be organized by municipality staff.	• Facility staff

Generic EMP - Social Mitigation Plan

Potential Social Impact	Impact scale	Proposed mitigation measures	Responsibility
Project Activity: Design activities			
Involuntary land acquisition	Local/ major significance/likely	<ul style="list-style-type: none"> During selection of the site for STA HQ specific screening will be conducted by using the Resettlement screening checklist to review and carefully assess whether land acquisition is needed and determine the current use and function of land; If screening is positive relevant Project documents should be consulted and if needed individual site specific RAP/ARAP prepared; Land acquisition, displacement and loss of access to resources shall be avoided or minimized; and affected people are assisted in improving, or at least restoring, their livelihoods and living standards ; In case involuntary land acquisition cannot be avoided relevant Project documents, if/when to be developed, should be consulted concerning compensation and restoration of livelihood. 	<ul style="list-style-type: none"> PIU/STA Designer/Architect
Loss of assets and access to assets	Local/major significance/likely	<ul style="list-style-type: none"> During selection of the site for STA HQ specific screening will be conducted by using the Resettlement screening checklist to review and carefully assess whether land acquisition is needed and determine the current use and function of asset and access to asset If screening is positive relevant Project documents should be consulted and if needed individual site specific RAP/ARAP prepared; Identify and address all economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy. Restore or replace public infrastructure and community services that may be adversely affected. 	<ul style="list-style-type: none"> PIU/STA
Government exercising rights over own facilities (as an example but not limited to removal of structures or income-generating assets such as trees or crops, relocation of informal occupants)	Local/major/likely	<ul style="list-style-type: none"> During selection of the site for STA HQ specific screening will be conducted by using the Resettlement screening checklist to review and carefully assess the current use of government owned facility; The screening shall identify whether the facility is occupied by persons with or without title including squatters; If screening is positive relevant Project documents should be consulted and if needed individual site specific RAP/ARAP prepared. 	<ul style="list-style-type: none"> PIU/STA
Siting selection	Local/major significance/likely	<ul style="list-style-type: none"> Prepare community engagement plan to keep affected community informed and engaged on the proposed physical change and whether land will be needed for implementation of individual Project activities. Consult with relevant government agencies, women's groups, national and local NGOs, and ethnic associations to determine any social impacts of the siting selection 	<ul style="list-style-type: none"> PIU/STA

Increased likelihood of GBV due to influx of construction and other workers for construction in the project area	Local/major significance/tbd	<ul style="list-style-type: none"> • Map out GBV prevention and response services in project area of influence • Adequately reflect GBV risks, and measures to address them, in key safeguards instruments • Clearly define the GBV requirements and expectations in the bid documents, including the requirement for a Code of Conduct (CoC) which addresses GBV (for ICB and NCB); • Address how GBV-related costs will be paid in the contract, in the procurement documents. 	<ul style="list-style-type: none"> • PIU/STA
Increased likelihood of GBV due to influx of construction and other workers for construction in the project area	Local/major significance/tbd	<ul style="list-style-type: none"> • Code of Conduct is to be signed and understood by all contractors and consultant staff • During works, separate facilities for women & men 	<ul style="list-style-type: none"> • STA • Contractors • Consultant staff
Operational phase of the Project			
Increased traffic due to new facility	Local/major significance/likely	<ul style="list-style-type: none"> • Pedestrian crossing to be provided; • Road safety measures to be implemented. 	<ul style="list-style-type: none"> • STA in collaboration with facility administrators and Ministry of Internal Affairs
Facility accessibility (relation between facility and public transportation options)	Major significance/long term	<ul style="list-style-type: none"> • Agree on new bus stops in the vicinity of STA HQ respecting relevant safety regulations; • Early in the cycle consult with relevant stakeholders to identify relevant permitting needed; • Consult with national road safety agency and relevant ministry to enhance road safety. 	<ul style="list-style-type: none"> • STA • Relevant public transportation company • Local Municipality
Universal facility access	Major significance/long term	<ul style="list-style-type: none"> • Pedestrian crossing; • Ramp for disabled people; • Ramp for access to facility with strollers. • Adequate lighting for female pedestrians 	<ul style="list-style-type: none"> • Relevant Ministry • STA

8. ENVIRONMENTAL AND SOCIAL MONITORING PLAN

The objectives for monitoring are: (i) to alert project authorities and to provide timely information about the success or otherwise of the process as outlined in the ESMFD in such a manner that changes to the system can be made, if required; and (ii) to make a final evaluation in order to determine whether the mitigation measures designed into the subprojects have been successful in such a way that the pre-subproject social condition has been restored, improved upon or worse than before.

Generic EMP - Environmental monitoring plan

Which parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Responsibility
Project Activity: Records Management and Archiving					
Status of the Health and Safety Plan and its implementation OHS training certificates for workers Records of periodical checks of electrical installations Fire protection certificates Electrical shock/fire signage and placarding Work and OHS logs Inclusion of EMP requirements in contracts	On facility site	Review of the necessary plans, documents, contracts with the contractors and practices on site	Before the start and during records management and archiving works	To ensure full compliance with regulations of the Republic of Serbia and the lender To ensure full application of EMP by the Contractor and ensure efficient linkages of EMP with other contract documents	Site manager/Environmental expert
Status of the Waste Management Plan for expected waste streams (mainly paper), its approval and implementation Approval of the State Archive of Republic of Serbia (or its affiliate/subsidiary institution) for final disposal of selected documents Contract with company for waste collection and transportation Confirmation of end-of-life solution for collected paper waste (recycling) Inclusion of EMP requirements in contracts	On facility site	Review of the necessary plans, documents, contracts with the contractors and practices on site	Before the start and during records management and archiving works	To ensure full compliance with regulations of the Republic of Serbia and the lender To ensure full application of EMP by the Contractor and ensure efficient linkages of EMP with other contract documents	Site manager/Environmental expert

Project Activity: Design activities					
Status of necessary permits and plans (Site Organization Plan, Soil Management Plan, Waste and wastewater management plan, Sewage management plan, Oil and fuel storage management plan, Emergency response plan, Noise reduction plan, Rehabilitation Plan, Grievances plan, Health and Safety Plan) Inclusion of EMP provisions in contracts	On facility site	Review of the necessary permits, Plans and contracts with the contractors	Before the start of construction works	To ensure full compliance with regulations of the Republic of Serbia and the lender To ensure full application of EMP by the Contractor and ensure efficient linkages of EMP with other contract documents	Design engineers/Architects
Project Activity: Civil Works – General Provisions					
Completion and implementation of relevant procedures	On facility site	Review of plans and contracts with the contractors	Before the start of construction works	To minimize the risk of adverse environmental, health and safety impacts due to absence or non-observance of relevant procedures	Contractor - Bidder /Supervisor
Project Activity: Demolition of old facilities and construction of new facilities					
Community safety regulations and protection measures applied	In vicinity of facility sites	Visual checks	At beginning of works and every working day until closure of works	To ensure minimization of health and safety risks - mechanical injuries to members of local community - especially from broken glass, wooden windows and doors and spikes. Special attention should be given to removal of the asbestos containing roof sheets	Contractor - Bidder /Supervisor/ Municipal staff: Communal and Environmental Inspector/ Facility staff
Fire Protection Plan	Before the start of facility operation	Review of the Plan	At the beginning of facility operation	To ensure that all fire protection measures are implemented	Municipal staff: Communal and Environmental Inspector
The OH&S protection measures applied for workers at facility sites	On facility site	Visual checks	Every working day until closure of works	To minimize risks related to occupational health and safety of workers using, particularly those handling asbestos containing wall panels	Contractor - Bidder /Supervisor/ Municipal staff: Communal and Environmental Inspector/ Facility staff
Avoid and minimize safety and health risks for general public	In facility and immediate surroundings	Visual checks	At the beginning of demolition works and continuously every working day	To avoid injuries of facility users and staff from falling objects (fragments of windows, doors, broken glass and inhalation of asbestos fibers or dust)	Contractor - Bidder /Supervisor/ Municipal staff: Communal and Environmental Inspector/ Facility staff

Timeliness of works according to previously defined schedule (especially concerning removal of wall panels and sewer pipes containing asbestos)	On facility site	Visual checks and documents (time schedule) review	Every day	To avoid additional environmental, health and safety risks	Contractor - Bidder/Supervisor/ Municipal staff: Communal and Environmental Inspector/ Facility staff
Waste Management Plan for all generated waste streams	On facility site	Review the document - Waste Management Plan	Before demolition activities start	To ensure minimization of waste generation and appropriate disposal	Contractor - Bidder/Supervisor/ Municipal staff (Communal and Environmental Inspector
Collection, transportation and final disposal of wooden windows and doors	On facility sites and in their vicinity	Visual monitoring and reviewing transportation logs	After the collection and transportation of waste from old wooden windows and doors by public communal utilities	Not to leave waste on facility sites to avoid environmental and health impacts to the facility users	Contractor - Bidder who needs to sign the contract with licensed company for collection, transportation and disposal of waste
Annual Report on transportation and disposal of waste	Local self-government administration	Review of documentation - Identification waste list	After completing collection, transportation, temporary disposal and final disposal of different types of waste, including asbestos-containing waste	To improve waste management and hazardous waste management at local and national level	Mayor of municipality
Existence of fragments of glass, dust generated during the demolition Generation of different types of waste	In facility	Visual checks	For broken glass immediately/For dust generation every day after completion of work for inert waste every 2 days	To avoid and minimize injuries and dust inhalation	Contractor - Bidder /Supervisor/ Municipal staff: Communal and Environmental Inspector/ Facility staff
Level of dust - fine particulate matter	On facility site	Visual monitoring and measurement devices	On sunny dry days only (once a week at the peak working hour)	To avoid and minimize airborne dust accumulation and minimize health risks for facility users and staff, as well as local residents.	Contractor - Bidder and authorized company for dust measurements
Collection, transportation and storage of hazardous waste (if any generated)	In temporary storage facility	Review the transportation list and conditions at the storage facility	Before transportation of hazardous waste (if any generated)	To improve waste management practices at municipality and national level.	Authorized contractor for collection and transportation of hazardous waste (if any generated) subcontracted by the Contractor- Bidder/ Environmental inspector

Noise from construction works	On facility site	Monitoring of noise levels dB (A) with appropriate monitoring devices	On regular basis during works, in accordance with national legislation	To monitor if noise levels are above or below the acceptance noise levels for that particular area	Contractor - Bidder Authorized Company for performing noise level measurements sub-contracted by the Contractor – Bidder/ Environmental Inspector to collect noise level measurements
Exposure to noise from vehicles, machines, mechanization and other equipment	On facility site	Review noise level technical specifications for vehicle used, mechanization and equipment for their usage outside	Before beginning of works (first day) for all vehicles and equipment	To protect the workers against exposure to loud noise taking into account the technical specifications of the equipment and time duration of the work outside	Contractor - Bidder Supervisor Environmental Inspector /Inspector for communal works
Project Activity: Removal of the asbestos containing construction elements, if any					
Primary selection of waste streams at facility sites	On facility sites	Review documentation - identification of waste types according to national waste categorization lists	At beginning of works	To separate hazardous (packaging for glue, paint, solvents, insulation and other material) from non-hazardous waste To separate inert from biodegradable waste	Contractor - Bidder Supervisor/ Municipal staff: Communal and Environmental Inspector
Identification of asbestos-containing waste, appropriate packaging and labeling	On facility sites	Review documentation - identification of waste types according to national waste categorization lists	At beginning of works	Asbestos containing (ACM) waste is hazardous waste with adverse environmental and health impacts	Contractor - Bidder Supervisor/ Municipal staff: Communal and Environmental Inspector
Temporary storage of removed asbestos containing roof sheets and piped, appropriately labelled and packed	In separate rooms/basement of facilities or in their close proximity	Visual checks	On daily basis	To minimize injuries and adverse environmental and health impacts	Contractor-bidder Facility staff

Contract with authorized transporter of asbestos containing waste should be signed Contract with the chosen landfill should be signed as well for acceptance and final disposal of asbestos-containing waste	Before works start	Review contracts	During collection and transportation of removed roof covers and pipes Before final disposal of removed sheets and pipes	To ensure that asbestos-containing waste will be treated according to national legislation, international conventions and best available practices	Contractor - Bidder who needs to sign contract with licensed company for acceptance and final disposal of asbestos-containing waste. Chosen landfill must hold a license for acceptance and final disposal of asbestos waste issued by the relevant Ministry.
Project Activity: Operational phase of facility					
Drinking water quality	Before starting operation of piping in facilities, tap water should be sampled and analyzed by the authorized and accredited laboratories	Laboratory equipment for physical- chemical and microbiological water quality analysis	Before starting facility operation	To ensure distribution of high quality drinking water facility users and to minimize health risks of waterborne diseases	Municipal staff Facility staff Public water supply utility
Fire Protection Plan	Before starting facility operation	Review Plan	At beginning of facility operation	To ensure that all fire protection measures are implemented	Municipal staff: Communal and Environmental Inspector Facility staff
Plan for regular and preventive maintenance of facilities	Before starting facility operation	Review Plan	At beginning of facility operation		Municipal staff: Communal and Environmental Inspector Facility staff

Generic EMP - Social Monitoring Plan

Which parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Responsibility
Project Activity: Activity: Civil Works – General Provisions					
Number, nature and status of resolution of grievance requests recorded	Before and during planning and construction works	Documentary review	Monthly	To ensure full compliance with the Grievance Redress Mechanism established for this project	STA
Project Activity: Operational phase of facility					
Increased traffic due to new facility Facility accessibility (relation between facility and public transportation options) Universal facility access	On facility site	Visual checks	At beginning of facility operation	To ensure full compliance with regulations of the Republic of Serbia and the lender To ensure full application of EMP by the Contractor and ensure efficient linkages of EMP with other contract documents	STA/facility staff Relevant public transportation company Local municipality
Code of Conduct is to be signed and understood by all contractors and consultant staff	Before/during planning of construction works	Document review	Beginning of facility operation	To ensure complete compliance with the Code of Conduct for contractors and consultants	STA/facility staff
During works, separate facilities for women & men	On facility site	Visual check	Beginning and during facility operation	To comply with measures put in place to reduce GBV risk	

9. GRIEVANCE REDRESS MECHANISM

In general, the national institutional framework addressing grievances is strong and broadly compatible with OP/BP 4.12. Respecting the grievance panels and its authorities made available under the national legislation and in order to fully comply with the OP/BP 4.12. a Project Specific Grievance Mechanism will be designed. Given the type of potential Project impacts, the Project will have central redress mechanisms as a Central Feedback Desk (CFD) at the level of the implementing agency at STA, to be additionally described in relevant documents to be developed, if applicable. Additional details on this matter are presented in Annex 4.

10. Community Engagement Plan

Presented in Annex 6. of this document.

11. Report on Public Consultations

To be completed once the Public Consultations have been successfully conducted.

12. ANNEXES

Annex 1. Generic EMP - Template for an Environmental Impact Assessment Report

Annex 2. Generic EMP - Templates for Environmental and Social Monitoring Plans

Annex 3. Template for a site visit monitoring report

Annex 4. Grievance Redress Mechanism

Annex 5. Resettlement Screening Checklist

Annex 6. Public consultations related documents

Annex 7. Community Engagement Plan

Annex 1. Generic EMP - Template for an Environmental Impact Assessment Report

Evaluation of impact – decommissioning and construction/reconstruction									
Environment	Type of impact	Positive or negative	Magnitude of impact	Extent/location where impact occurs	Timing when impact occurs	Duration of impact	Reversible/irreversible	Likelihood of impact	Significance
Physical/Natural Environment									
Groundwater									
Landscape and visual environment									
Existing or future land use									
Water and energy resources									
Public hazardous elements									
Air quality									
Water quality									
Soil pollution									
Waste									
Inert waste									
Asbestos waste									
Communal waste									
Paper waste									
Noise and vibrations									
Biodiversity (flora and fauna)									
Social Environment									
Occupational and community health and safety									
Cultural									
Gender									
Loss of land and assets									

Annex 2. Generic EMP - Templates for Environmental and Social Monitoring Plans

Generic EMP - Environmental monitoring plan

Which parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Responsibility
Project Activity: Records Management and Archiving					
Status of the Health and Safety Plan and its implementation OHS training certificates for workers Records of periodical checks of electrical installations Fire protection certificates Electrical shock/fire signage and placarding Work and OHS logs Inclusion of EMP requirements in contracts					
Status of the Waste Management Plan for expected waste streams (mainly paper), its approval and implementation Approval of the State Archive of Republic of Serbia (or its affiliate/subsidiary institution) for final disposal of selected documents Contract with company for waste collection and transportation Confirmation of end-of-life solution for collected paper waste (recycling) Inclusion of EMP requirements in contracts					
Project Activity: Design activities					
Status of necessary permits and plans (Site Organization Plan, Soil Management Plan, Waste and wastewater management plan, Sewage management plan, Oil and fuel storage management plan, Emergency response plan, Noise reduction plan, Rehabilitation Plan, Grievances plan, Health and Safety Plan) Inclusion of EMP provisions in contracts					
Project Activity: Civil Works – General Provisions					
Completion and implementation of relevant procedures					

Project Activity: Demolition of old facilities and construction of new facilities					
Community safety regulations and protection measures applied					
Fire Protection Plan					
The OH&S protection measures applied for workers at facility sites					
Avoid and minimize safety and health risks for general public					
Timeliness of works according to previously defined schedule (especially concerning removal of wall panels and sewer pipes containing asbestos)					
Waste Management Plan for all generated waste streams					
Collection, transportation and final disposal of wooden windows and doors					
Annual Report on transportation and disposal of waste					
Existence of fragments of glass, dust generated during the demolition					
Generation of different types of waste					
Level of dust - fine particulate matter					
Collection, transportation and storage of hazardous waste (if any generated)					
Noise from construction works					
Exposure to noise from vehicles, machines, mechanization and other equipment					
Project Activity: Removal of the asbestos containing construction elements, if any					
Primary selection of waste streams at facility sites					
Identification of asbestos-containing waste, appropriate packaging and labeling					
Temporary storage of removed windows and doors with appropriately labelled and covered Temporary storage of removed asbestos containing roof sheets and piped, appropriately labelled and packed					
Contract with authorized transporter of asbestos containing waste should be signed Contract with the chosen landfill should be signed as well for acceptance and final disposal of asbestos-containing waste					
Project activity: Operational phase of facility					
Drinking water quality					
Fire Protection Plan					
Plan for regular and preventive maintenance of facilities					

Generic EMP - Social monitoring plan

Which parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Responsibility
Project Activity: Activity: Civil Works – General Provisions					
Number, nature and status of resolution of grievance requests recorded	Before and during planning and construction works	Documentary review	Monthly	To ensure full compliance with the Grievance Redress Mechanism established for this project	STA/facility staff
Project Activity: Operational phase of facility					
Increased traffic due to new facility Facility accessibility (relation between facility and public transportation options) Universal facility access	On facility site	Visual checks	At beginning of facility operation	To ensure full compliance with regulations of the Republic of Serbia and the lender To ensure full application of EMP by the Contractor and ensure efficient linkages of EMP with other contract documents	STA/facility staff Relevant public transportation company Local municipality

Annex 3. Template for a site visit monitoring report

Municipality	
Facility name and type	
Date of visit	
Location	
Project representative	
Activities performed	
Mitigation measures applied Monitoring activities undertaken	
Next steps	
Annexes	

Date	
Signature of environmental consultant	

Annex 4. Central Feedback Desk/Grievance Redress Mechanism

The CFD shall serve as both Project level information center and grievance mechanism, available to those affected by implementation of all Project sub-components.

Objective. The CFD will help to improve the Project social performance since the number and nature of the received complaints is an indicator of the manner in which the Project is conducted and the behavior of employees and contractors.

Scope of Feedback. The CFD will be applicable to all Project activities and relevant to all local communities affected by project activities implemented within individual sections. In particular, it will be responsible for receiving, acknowledging and addressing grievances and comments from:

- Persons directly affected by the project including the impact due to land acquisition, construction, operation and closure of the construction of new STA HQ.
- Residents interested in and/or affected by the project living in the affected municipalities.
- Affected persons or residents that have concerns regarding GBV risks/issues

The CFD shall be established prior to commencement of the project activities, in order to manage and respond to feedback received in a timely and appropriate manner throughout the project's duration. In addition, this procedure will help to improve the Project social performance since the number and nature of the received complaints is an indicator of the manner in which the Project is conducted and the behavior of employees and contractors.

Awareness Raising. STA will ensure that Project Affected Persons are fully informed of the grievance mechanism by communicating the role and existence of the CFD its function, the contact persons and the procedures to submit feedback in the affected areas. Information on the CFD will be available: on the website of the STA, by distribution of brochures to affected communities, on the notice boards, websites of the respective municipality once the exact location has been identified and confirmed, and project sites/construction locations.

Submitting Feedback. Effective administration of feedback strongly relies on a set of fundamental principles designed to promote the fairness of the process and its outcomes. The procedure for addressing feedback shall be designed to be accessible, effective, easy, understandable and without costs to the complainant. Grievances can be brought to the attention of the CFD personally or by telephone or in writing by filling in the grievance form by e-mail, post, or personal delivery to the addresses/numbers to be determined. Grievances submitted anonymously will be considered valid. The access points and details on entry points shall be publicized and shall be part of the awareness building once the location of impact has been known.

Processing and Management of Feedback. Managing any feedback shall entail these mandatory steps: Receive, Log, Acknowledge, Assess Categorize and Assign, Investigate, Respond, Follow up and Close out.

CFD shall maintain a grievance log that will have all necessary elements to disaggregate the feedback by type, priority/urgency, location, gender of feedback provider, the number of feedback received that have been addressed, and the number of feedback that are still pending. Each feedback will be recorded in the register with the following information at minimum:

- description of feedback
- location of feedback provider
- date of acknowledgement

- description of actions taken (investigation, corrective measures), and
- date of resolution and closure
- date of provision of feedback to the feedback provider

Once the feedback is logged, the CFD shall conduct a rapid assessment to verify the nature of feedback and determine whether it should be prioritized as low, moderate or urgent. Within three days from logging it will acknowledge that the case is registered and inform the feedback provider regarding next steps. It will then investigate by trying to understand the issue from the perspective of the feedback provider and understand what action he/she requires. The CFD will investigate by looking into the facts and circumstances, interview all parties involved and confer with relevant stakeholders. Once investigated, and depending on the urgency and type of grievance, the provisional decision shall be discussed with the feedback provider. The final agreement will be specific and time bound, with timelines that will be established for closeout. Closing out of the feedback will occur after implementation of the resolution has been verified. Even when an agreement is not reached, or the feedback is rejected it is important to document the actions and result associated with addressing the feedback to close out the case.

Reporting on Feedback.

The role of the CFD, in addition to addressing the feedback received, shall be to keep and store comments/grievances received and to maintain the Central grievance log administered by the PIU. In order to allow full knowledge of this tool and its results, quarterly updates from the CFD shall be available on the STA website. The updates shall be disaggregated by gender, location, type of feedback, the number of cases received that have been addressed and number of pending cases. type of grievances /complaints. In order to have continuous dialogue, quarterly public meetings shall be held to discuss the general outcomes of the feedback received discuss the report on feedback cases and inform the community about current Project activities.

Key Responsibilities

The PIU shall appoint a Public outreach specialist (POS) to serve as the feedback focal point and to be responsible for effective functioning of the CFD and monitoring of feedback. This will allow any potential grievance to be addressed even at the planning stage. The POS will be responsible to log and acknowledge feedback received, , take any action necessary to address this feedback (in collaboration with other public agencies, the contractor and other stakeholders as required) and to inform the feedback provider about the outcome of the process.

Grievance Mechanism Features

	Central feedback desk (CFD)
Level	At the level of PIU, namely STA
Role	Project information center and grievance mechanism related to the project, including land acquisition and civil works
Focus	All components and sub-components

Responsibility	Receiving and responding to grievances and comments of two groups: a person directly affected by the Project including the impacts due to land acquisition; and residents interested in and/or affected by the project living in the affected municipality.
Methods for raising grievances	Feedback can be logged in writing, by e-mail, phone or in person
Registry of Grievances	CFD Registration Log (one log for grievances linked to the resettlement process and + one log for grievances linked to construction works + one log for other feedback Central Feedback Log administered by CFD
Administration of Grievances	The CFD shall, within three days after the day of receipt, acknowledge such receipt and take another 14 days to decide on the case or to inform the feedback provider why the case cannot be resolved within the given time.
Reporting	CFD shall keep and store all feedback in a Central Feedback Log, and publish quarterly reports on the PIU website
Responsible person	The PIU shall appoint a public outreach specialist to be assigned with the function of the person responsible for logging, acknowledging, addressing, monitoring and responding to feedback

Annex 5. Resettlement Screening Checklist

SOCIAL SCREENING FORM				
Land acquisition and access to resources				
	YES	NO	Comments	
Type of activity – Will the sub-project?				
Require that land (public or private) be acquired (temporarily or permanently) for its development				
Require land acquisition by expropriation or exercise ownership rights over state owned land?				
Will the land be bought by negotiations (willing buyer willing seller)				
Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)				
Restrict use of adjoining land				
Require physical displacement of individuals, families or businesses				
Require economic displacement				
Is there squatting in the state owned land or buildings				
Result in the temporary or permanent loss of crops, fruit trees or household infrastructure				
Result in the involuntary restriction of access by people to legally designated parks and protected areas				
Result in loss of livelihood, through loss of access or otherwise				
Will access to services, amenities or resources be lost				
Have impact to any vulnerable individuals or groups				
Be a government assisted resettlement				

If any of the boxes attributed to the questions is ticked with the “YES”, a Resettlement Action Plan or Abbreviated Resettlement Action Plan shall be prepared.

CERTIFICATION

We certify that we have thoroughly examined all the potential adverse effects of this sub-project. To the best of our knowledge, the sub-project Resettlement will be adequate to avoid or minimize all adverse social impacts.

PIU representative

Name: _____ (signature): _____

Date: _____

Social expert

Name: _____ (signature): _____

Date: _____

Annex 6. Public consultations related documents

List of participants

Documentation

Photographs

Annex 7. Community Engagement Plan

Principles

Disclosure and Public Consultation in Safeguard Policies are two inter-connected processes and have two inter-connected objectives:

1. Disclosure in aid of meaningful public consultation
2. Disclosure to ensure transparency of World Bank operations to its shareholders and constituents

Purpose of the disclosure and consultations concerning the current Project is:

- This is a two-way process: people learn about and have input into design of projects that affect their lives, well-being and environment;
- This process promotes dialogue among stakeholders: governments, communities, NGOs, implementing agencies

Proposed Participants

The following are groups proposed for conducting effective disclosure and meaningful public consultations for the project in question:

- project beneficiaries
- project-affected people
- other interested parties (e.g., local governments, local and national NGOs)

Draft Disclosure and Public Consultations Schedule