ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

SERBIA LOCAL INFRASTRUCTURE AND INSTITUTIONAL DEVELOPMENT PROJECT (P174251)

CLEAN VERSION
BELGRADE
AUGUST 2021

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ABBREVIATIONS

CGD	Central Grievance Desk
DoEIA	Department of Environmental Impact Assessment
EIA	Environmental Impact Assessment
EMP	Environmental Mitigation Plan
ESA	Environmental and Social Assessment
ESMP	Environmental and Social Management Plan
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
ESF	Environmental and Social Framework
GoS	Government of Serbia
GHG	Greenhouse gas
GRM	Grievance Redress Mechanism
INP	Institute for Nature Protection
IPCM	Institute for Protection of Cultural Monuments
LEP	Law on Environmental Protection
LMP	Labor Management Procedures
LOEIA	Law on Environmental Impact Assessment
LSGs	Local Self Governments
MAFWM	Ministry of Agriculture, Forestry and Water Management
MCTI	Ministry of Construction, Transport, and Infrastructure
MEP	Ministry of Environmental Protection
MoF	Ministry of Finance
MoU	Memorandum of Understanding
PINP	Provincial Institute for the Nature Protection
PIU	Project Implementation Unit
PFM	Public Financing Mechanism
PSEP	Project Level Stakeholder Engagement Plan
RPF	Resettlement Policy Framework
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SOE	State Owned Enterprise
SUDS	Sustainable Urban Development Strategy
WB	World Bank

EXECUTIVE SUMMARY

The World Bank is considering supporting the Government of the Republic of Serbia that is making great efforts in its EU path towards green infrastructure and GHG emission reduction by strengthening LGSs capacity to execute municipal funds.

Therefore, the proposed project is designed to support the Government of Serbia to increase efficiency, inclusiveness, and sustainability of LSG infrastructure service delivery, i.e. to improve LSGs' operational performance, financial sustainability and capacity to plan and deliver green and resilient infrastructure service. This is planned to be implemented through three separate but interlinked components: (1) Rebuilding Better, (2) Strengthening PFM and asset management systems at LSG level and (3) Project management and capacity building.

The World Bank is prepared to appraise the Serbia Local Infrastructure and Institutional Development Project (LIID) with a proposed loan in the amount of 100 million $. The lead implementing agency is the Ministry of Construction, Transport, and Infrastructure (MCTI).

This Environmental and Social Management framework (ESMF) aims to evaluate the LIID Project's potential environmental risks and impacts and to provide sufficient guidance in the project selection, planning, design and implementation in order to apply mitigation hierarchy for adverse environmental and social impacts and seek opportunities to enhance the positive impacts of the project. The document is consistent with the relevant WB Environmental and Social Framework (ESF) requirements, WB Environmental and Social Standards (ESS) and national requirements and standards.

The project will have long-term positive impacts, given its aimed green and sustainable footprint, but there is a number of potential short-term risks and potential adverse impacts that need to be considered, mostly related to infrastructure investments under Component 1. The scope and exact locations of these interventions are yet to be determined, but all works are envisaged to be carried out within the scope of existing infrastructural facilities. In this regard, the potential environmental risks and adverse impacts that could be identified are (i) impacts on ground and surface water, soil and air contamination (dust and noise); (ii) occupational health and safety (OHS) issues and access to work sites; (iii) improper waste management. This ESMF is prepared as the guiding instrument in addressing and mitigating community, environmental adverse impacts, and OHS risks in Project implementation, and to set the criteria in adequate project selection, implementation, and monitoring. Components 2 and 3 should have no significant environmental impacts as they are focusing on strengthening policies and practices and project management and capacity building. Strong citizen and stakeholder engagement for the proposed activities are planned to be in focus during the entire project implementation period, and especially preparation. Environmental and social risks are rated as Moderate.

The project will be implemented through the existing PIU in the Ministry of Construction, Transport, and Infrastructure (MCTI), with the obligation to hire additional environmental and social staff before the start of any works.

1 INTRODUCTION

1.1 Context

Serbia faces major environmental challenges, air pollution, and climate-related risks, and is prone to natural disasters such as floods and droughts, which can cause significant damage to infrastructure, the economy, and people's livelihoods, especially among vulnerable groups.

For the social and economic success of the country, strong and effective local governments are indispensable elements. However, in recent decades, cities and towns in Serbia have suffered from underinvestment, weak management of infrastructure, and environmental pollution including high GHG emissions. This has led to deteriorating living conditions in many cities and towns, increased vulnerability and considerable variability in living standards across the country.

LSGs in Serbia are struggling with increasing air pollution and high GHG emissions, due to low efficiency in energy, transport, water, waste management, and agricultural practices resulting in a high carbon footprint, significant losses of extracted water, and elevated levels of air pollution in major cities. Energy productivity is low and transport is the second main contributor to GHG emission and also heavily contributes to air and noise pollution in cities and is a sector where emissions are growing the most.

Local infrastructure and institutional development are essential to address the "next generation" of reforms related to environmental challenges to protect quality of life, strengthening climate resilience and supporting a low-carbon transition, and focusing on the specific needs of lagging regions. Infrastructure development is also necessary for improving social issues such as connectivity, accessibility, general quality of life etc. This will require improving urban economic performance; investing more in public services; upgrading urban infrastructure; making municipal administrators more accountable; and promoting resilience.

Recognizing the need for boosting local economic and urban development, the GoS adopted the Sustainable Urban Development Strategy (SUDS) in June 2019, representing an integrated program until 2030 for tackling the next stage of the development of Serbia's cities and municipalities. The Project will advance the Serbia 2025 Plan[1] and SUDS, and support it in its EU path towards green infrastructure and GHG emission reduction by strengthening LGSs capacity to execute municipal funds. The proposed project will also build on recent and ongoing WB technical assistance and infrastructure projects.

The negative impact of the COVID19 pandemic in Serbia significantly affected the economy, mostly pronounced in the services sectors, in particular transport and tourism. The post-COVID recovery phase offers a unique opportunity to build back a greener economy. LSGs have a key role to play in the pace and sustainability of Serbia's growth, but they have limited financing, weak public financial management

[1] The "SERBIA 2025" investment program, presented recently by the President of Serbia, aims at investing around 14 billion euros over the next five years in various development projects, including for projects at the local level, which could assist in filling some of the investment gaps

systems, and weak capacities to plan and prioritize infrastructure investments and develop strategic plans. This project will seek to address it by providing financing for local level infrastructure, equipping LSGs with asset management tools and strategic planning frameworks, strengthening capacities as well as the provision of incentives for improvements in implementation of public financial management systems at the local level.

1.2 Objectives of the Environmental and Social Management Framework

ESMF is used as an instrument that examines the risks and impacts when a project consists of a program and/or series of subprojects, and the risks and impacts cannot be determined until the program or subproject details have been identified. It contains measures and plans to identify, reduce, mitigate and/or offset adverse risks and impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project risks and impacts, including on its capacity to manage environmental and social risks and impacts. It also includes adequate information on the area in which subprojects are expected to be sited, including any potential environmental and social vulnerabilities of the area; and on the potential impacts that may occur and mitigation measures that might be expected to be used.

This Environmental and Social Management framework (ESMF) aims to evaluate the LIID Project's potential environmental and social risks and impacts and to provide sufficient guidance in the project selection, planning, design and implementation in order to apply mitigation hierarchy for adverse environmental and social impacts and seek opportunities to enhance the positive impacts of the project.

The document is consistent with the relevant WB Environmental and Social Standards (ESS) and national requirements and standards. The ESMF sets out the steps, processes and procedures for screening, preparation and implementation, risk assessment, management, reporting and monitoring of environmental and social risks and impacts of each subproject compliant to the WB Environmental and Social Framework (ESF) requirements.

All activities/subprojects to be financed under the LIID Project will be a subject to the project specific environmental and social screening, following the procedures laid out in this ESMF. The screening aims at identifying potential environmental and social risks and impacts at the level of subprojects so adequate avoidance, minimization or offset measures as the case may be are applied.

This ESMF is intended to be used as a practical tool during program planning, design, implementation, and monitoring of Project activities. The purpose of this framework is to specify the procedures that the LIID Project stakeholders will follow during implementation, with the objective that all activities supported under the Project will be environmentally and socially sound and sustainable, consistent with WB Standards, ESF and Serbian national legislation.

The ESMF also provides guidance for the process and the content for development of site specific documents, namely Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plans (ESMPs) and ESMP Checklist, for all subprojects which will be implemented under the LIID Project.

2 PROJECT DESCRIPTION

Proposed Project Development Objective (PDO) is to increase efficiency, inclusiveness, and sustainability of LSG infrastructure service delivery.

2.1 Project concept and key results

The Project will be a mixture of investment and technical assistance to boost green and inclusive infrastructure development and infrastructure service provision at the local level, including the implementation of the relevant chapters of SUDS, in particular measures 4 and 5[2]. The objective of the project is to improve LSGs' operational performance, financial sustainability and capacity to plan and deliver green and resilient infrastructure service. To incentivize this change, the LSGs will receive grant transfers from the central level for infrastructure investments, and will sign an MoU with the central government, which will include a set of commitments to improve public financial and asset management at the local level. The MoU will define the accountabilities and commitments of LSGs to improve strategic planning, infrastructure management, and financial performance. The financing for infrastructure to be provided by the project should be additional, and not substitute for existing infrastructure spending by LSGs.

The following key results of the LIID project are proposed:

Key output indicators	• Implemented number of green and resilient **infrastructure investments**, disaggregated per sector (number) • Number of **communities consulted** on infrastructure investment plans (number) • MoUs signed between LSGs and central government including commitments for PFM improvements to be implemented during project implementation (number) • Development and adoption of **asset management** framework (yes/no) • Reform action plan for **fiscal decentralization** developed (yes/no)
Outcomes	• Strengthened **financial sustainability** of LSGs infrastructure investments - measured as execution rate of LSG infrastructure investments (percentage) • Improved **public funds management efficiency** - measured as share of infrastructure plans and budgets at the LSG level informed by the asset management framework to be developed (percentage)

[2] Specifically, the component 1 will support measure 4.1.2; component 2 will support measures 5.2.2, 5.3.2, and Component 3 will support measures 5.1.1. and 5.1.5 from the SUDS

- Improved **infrastructure service delivery** - measured as increase of citizens reporting satisfaction with infrastructure service delivery (by before and after surveys and gender disaggregated) (number)
- Enhanced **greening of infrastructure** - measured as percentage of subprojects at local level supporting low carbon, reduced pollution and/or climate resilient action

2.2 Project components

The project goal of supporting sustainable local infrastructure and enhanced capacities for local infrastructure investments will be achieved through implementation of the following three components: (i) Rebuilding better; (ii) Strengthening PFM and asset management systems; and (iii) Project management and capacity building.

2.2.1 Component 1. Rebuilding Better

The objective of this component is to promote infrastructure investment paradigm shift toward greening of infrastructure and improved infrastructure service delivery. This will be achieved by financing targeted infrastructure investments and modernization of service delivery.

Subcomponent 1.1 Greening of Infrastructure. This subcomponent will finance eligible investments in LSG infrastructure through existing mechanisms for grant transfers from the central government. It will also finance consultancy services associated with developing a pipeline of projects including design review, site supervision, and independent technical audits. The investments will contribute to reducing the environmental footprint of delivering public services. The envisaged eligible sectors are transport, energy, solid waste separation, and public spaces/urban regeneration. Preliminary list of the eligible sectors and activities is provided in the table below.

Eligible investments	Types of interventions
Local **road and street** improvements	Rehabilitation of existing roads and streets, building in climate resilience, street schemes that increase road safety and promote public transport, NMT and parking management
Energy efficiency retrofits and improved heating schemes	Improving distance heating infrastructure and systems, installing energy efficiency measures, supporting renewable sources for public buildings and multi-family residential buildings, and street lighting
Waste collection schemes	Support to LSGs in the collection, separation, and recycling of waste (not including large scale waste treatment plants).
Municipal **public spaces** greening schemes	Providing public green spaces, greening streets, urban regeneration schemes

Since the government is already preparing a EUR 2 billion project for water supply and wastewater these sectors will be excluded. Total available grant funds for each LSG will be defined per formula agreed with the Implementing Agency – Ministry of Construction, Transport, and Infrastructure (MCTI).

Subcomponent 1.2 Improved service delivery. This subcomponent will finance a mix of technical assistance and pilot interventions which aim at improving infrastructure service delivery in a cost-effective manner. The technical assistance will analyze and propose viable options for improvement in the area of: (i) service delivery efficiency; and (ii) intermunicipal cooperation focused on infrastructure greening. In assessing potential and identifying initiatives, a strong participatory approach with special attention on poor, disabled, elderly or women. The potential of engaging women in the service delivery sector will be also explored. The most promising interventions will be supported through pilot investments. Overall, the subcomponent will finance the following activities at pilot municipalities: (i) technical assistance to identify areas for improvement in infrastructure service provision; and (ii) improved service delivery. The subcomponent will support LSGs that apply for the pilot schemes, with priority being given to lagging areas.

2.2.2 Component 2. Strengthening PFM and Asset Management Systems at the LSG level

The objective of this component is to improve the effectiveness and sustainability of infrastructure investments at the local level through strengthening LSGs' capacity for management of public finances and assets. The component will finance a mixture of technical assistance and development of tools to strengthen and equip LSGs with objective infrastructure investments planning and decision-making frameworks, with the focus on infrastructure maintenance and rehabilitation. In addition, the component will finance technical assistance to enhance the policy framework for financing infrastructure at the LSG level, with a focus on the fiscal decentralization framework and the ability of LSGs to raise commercial financing for infrastructure. To this end, the component will finance activities to: (i) enhance the policy framework for financing infrastructure at the LSG level; and (ii) strengthen public financial and asset management at the LSG level.

Subcomponent 2.1 Enhancing the Policy Framework for Infrastructure Financing. This subcomponent will support efforts to enhance the policy framework for infrastructure financing at the LSG level, focusing on (i) the current fiscal decentralization framework and (ii) LSGs ability to raise private capital for infrastructure investments. The component will finance both analytical work and a consultative process to inform reforms to the current fiscal decentralization framework for local infrastructure financing.

Subcomponent 2.2 Strengthening PFM and asset management systems. The subcomponent will provide a mix of technical assistance and financing to strengthen infrastructure investment efficiency and sustainability through improved public financial management and asset management at the LSG level. It will finance the development and implementation of an asset management framework that will ensure an efficient and objective approach for the development of infrastructure maintenance and rehabilitation plans. Better implementation of existing PFM framework will be supported through strengthening capacity and quality of annual and medium-term planning and budgeting, as well as accounting, reporting, and monitoring of infrastructure investments. This subcomponent will explore the development of a citizen-centric and data-driven initiative to provide information to policymakers and facilitate the preparation and prioritization of infrastructure investments.

2.2.3 Component 3. Project implementation support and capacity building

The objective of this component is to establish institutional set up that will enable successful implementation of the project and equipping LSGs with capacities to perform their infrastructure related functions in a sustainable manner. The component will finance (i) project management and (ii) capacity

building. This subcomponent is designed to provide strong project management and ensure transparency and accountability of the project's interventions and results. It will support project costs of the Project Implementation Unit (PIU), which is envisioned to be in the MCTI as a current holder of the SUDS, and technical assistance. Capacity building activities, knowledge exchange and support to intermunicipal cooperation will be provided by establishment of a dedicated web page with a digital repository of relevant strategic and other planning documents, guidelines and recommendations, templates of developmental and operational instruments that LSGs need to prepare and implement, case studies, databases, platform for exchange of ideas, etc.

Project Contributions to Recovery from the COVID-19 Pandemic

The proposed Project will support Serbia's recovery from the COVID-19 pandemic in the short-term, while also supporting ongoing longer-term response and efforts to rebuilding better, through the COVID-19 response pillars:

- Pillar 3. Ensuring sustainable business growth and job creation. Infrastructure investments will have a direct impact on the economic output of LSGs, and the country as a whole, and will be designed to increase the resilience and safety of infrastructure. The Project will support pillar 3 by creating job opportunities in the construction of infrastructure at the local level. Infrastructure investments can be used to increase aggregate demand at a time of depressed economic activity, and investments in local infrastructure can mobilize the local workforce and can be completed within a short period of time. Strengthening of capacities and policies will ensure that infrastructure investments on LSG level are sustainable and that expected multipliers are higher. This type of investments generates employment not only in the construction sector, but also in the service and manufacturing sectors. In addition to direct investment, this project will also open opportunities for business growth by improving the overall LSG infrastructure quality and service delivery.
- Pillar 4: Strengthening policies, institutions and investments for rebuilding better. One of the priorities of this Project is to continue to strengthen the capacity of LSGs to plan and manage local infrastructure investments. This operation will support the continuation of the reform process and service improvements in a sustainable manner. Special attention to resilience, sustainability and inclusiveness in the selection and implementation of projects will ensure that Serbia is able to build back better after COVID-19. Financed infrastructure works will incorporate climate resilience and will promote adoption of infrastructure and equipment that is more resilient. The Project will also support rebuilding better by providing better connectivity and improved accessibility and it will provide an opportunity to promote a transition to green infrastructure.

2.3 Project beneficiaries

Direct beneficiary of the LIID project is Ministry of Finance (MoF) and Ministry of Construction, Transport, and Infrastructure (MCTI) as Implementing Agency.

LSGs as end beneficiaries will benefit from economic development, lower costs and time savings, safety, environmental benefits in terms of reduced GHG emissions, and possibly other positive externalities.

The participating government entities and local SOEs will benefit directly from the institutional, legal and regulatory strengthening and capacity building activities. Implementation of green infrastructure projects will insure protecting the health and well – being of citizens and create stronger communities while

improving social cohesion. Citizen engagement will be included in the planning stage, providing inputs in infrastructure prioritization. The project will enable participation and promote inclusiveness, especially for vulnerable groups, and ensure that gender considerations are taken into account.

2.4 Implementation arrangements

The Project will be managed by the MCTI through a Project Implementation Unit (PIU), supported by the Central Fiduciary Unit (CFU) in the MoF, and supported by employees in the municipalities officially assigned to the project.

The MCTI's PIU has already been established to manage the Serbian part of the WB Trade and Transport Facilitation Project and Railway Modernization Project MPA, and the same PIU will serve as the anchor point to establish the Serbia LIID PIU team. The already existent PIU in the MCTI will be extended with the team to implement the project, and strengthened with appropriate managerial and technical capacity to enable it to carry out (i) day-to-day implementation of project activities directly under its responsibility and (ii) support municipalities participating in the Project.

The CFU will be responsible for fiduciary issues like financial management and support to LSGs to implement procurements. The CFU main task will be to raise procurement capacities of LSGs and guide the procurement of projects under the Loan.

Municipalities will have their dedicated employee(s) in charge of managing the projects financed by the loan, including activities related to procurement, project preparation, and the introduction of improved policies and planning and management frameworks. Each beneficiary municipality will sign a MoU with the MCTI where mutual responsibility and obligations are defined. MoU will be defined in a Project Operational Manual.

2.5 Exclusions

The Project will not finance (i) any of the activities listed in the World Bank Group IFC Exclusion List given in Annex 1 nor (ii) any high risk or substantial risk projects, that would require Environmental Impact Assessment as per the Law on Environmental Impact Assessment (Official Gazette of RS No. 135/2004 and amended in 2009 - 36/2009) or as per WB ESS 1. (e.g. activities that may cause long term, permanent and/or irreversible adverse impacts (e.g. loss of major natural habitat); activities that have a high probability of causing serious adverse effects to human health and/or the environment; Activities that may affect lands or rights of minorities; activities that may have significant adverse social impacts and may give rise to significant social conflict. Since the government is already preparing a EUR 2 billion project for water supply and wastewater these sectors will be excluded from financing when selecting eligible investments in LSG infrastructure.

3 BASELINE COUNTRY ENVIRONMENTAL AND SOCIAL BACKGROUND

3.1 Country and environmental baseline

Serbia covers a total area of 88,361 square kilometers, constituting only about 1,5% of Europe land area. Although small in size, the environment is highly diverse due to variety of climate, topography and geology, as well as the long-term ecological and evolutionary history of the region as a biological crossroads.

Serbia's terrain ranges from fertile plains of northern Vojvodina to limestone ranges and basins in the east and ancient mountains and hills in the southeast. The north is dominated by the Danube River. The Morava River, a tributary of the Danube, originates near Stalac by merging South Morava (which flows through the mountainous part of southern Serbia) and West Morava. The terrain of central Serbia consists chiefly of hills and low to medium-high mountains, interspersed with numerous rivers and creeks. The main communication line stretches south of Belgrade towards Niš and Skopje, along the valley formed by the Great and South Morava rivers. Major cities and the main railroad and highway are located on this line. To the east of this line, in an area that is relatively sparsely populated, the terrain rises to the limestone ranges of Stara Planina and the Serbian Carpathians. To the west, mountains rise towards the southwest but do not form real ridges. Zlatibor and Kopaonik are the highest mountains in this area. Practically the entire territory (92%) of Serbia belongs to the Danube drainage basin. Other main rivers in Serbia are tributaries of the Danube including the Sava (flowing from the west), Tisa (flowing from the north), Drina (flowing from the south), and Morava. The nature of Serbia is characterized by a high diversity of flora and fauna and represents a significant part of the richness and diversity of Europe's natural heritage. Five of 12 world biomes and of six Europe's biomes are represented in Serbia. Its territory also represents a significant center of diversity of endemic flora of the Balkan Peninsula. The total protected area in Serbia currently stands at 677.950 ha or 7.66% of the territory of Serbia. There are 469 protected areas: 5 national parks, 18 nature parks, 21 outstanding natural landscapes, 69 nature reserves, 6 protected habitats, 314 monuments of nature, 36 sites of cultural and historical importance. The project will avoid protected or sensitive areas.

Serbia's legislation is mostly harmonized with the EU, but further substantial efforts are needed, especially in regard to the design of modern, financially sustainable interventions in the areas of waste management, water management and wastewater treatment systems, nature protection, industrial pollution control and risk management, air quality and climate change. Moreover, Serbia needs to further align with climate legislation.

The institutional and administrative capacity to implement and enforce the EU environmental and climate action legislation is very weak, especially at the local government level. Investments in environmental infrastructure and environmental protection are very low. Utility prices need to reflect the full costs of services, including e.g. waste management and/or wastewater treatment. The polluter-pays principle should generate revenues that will be used to fund environmental protection measures. Serbia’s capacity to develop sustainable investment projects in environment and climate sector is also low.

3.1.1 Air quality

Air quality is generally poor, mainly due to outdated technology, lack of pollution abatement installations, low energy efficiency in existing industry and energy facilities, as well as poor quality of heating fuel used for households. Serbia will need to consolidate integration and geographical coverage of its ambient air quality monitoring systems and adopt and implement cleaner air plans in its agglomerations – Belgrade, Novi Sad, Nis, Bor, Uzice, Kosjeric, Smederevo, Pancevo.

The Environmental Protection Agency continuously implements operational air quality monitoring in the national network for air quality monitoring in the Republic of Serbia. This obligation of the Agency is defined by the Law on Air Protection („Off. Gazette RS" No. 36/09 and 10/13).. The pollutants that are being monitored are: SO2, NO2, PM10, PM2.5, CO, Pb and C6H6. The quality of air has been listed into 3 categories: 1) first category – clean or slightly polluted air, in line with the limit values, 2) second category – moderately polluted air, above the limit values for NO2, but in line with the tolerance limit and limit values for other pollutants, 3) third category – polluted air, above the limit value for one or more pollutants monitored. In 2019, all 8 agglomerations were 3rd category – polluted air[3], due to high concentrations of PM10 and PM2.5.

3.1.2 Water

Water pollution is another major problem, mainly due to outdated technology, lack of pollution abatement installations, inadequate storage and disposal of by-products, untreated industrial and municipal wastewater, drainage water from agriculture, leachate from landfills, and pollution related to river navigation. Serbia still needs to comply with the EU directives regulating water sector, that would require investments in the relevant water management and wastewater treatment facilities in the coming years. Number of wastewater treatment plants is low, providing only 10% of population is covered with some kind of wastewater treatment.

Water quality in Serbia differs significantly from one region to next. Monitoring has shown the presence of: ammonia, nitrates, sulfides, iron and mineral oils in the Tisa River Basin; evaporable phenols and manganese in wells in the area of Backa; and, in some cases, suspended solids – for example, in the South Morava Basin. Throughout Serbia, the most problematic physicochemical water quality parameters are turbidity, iron, manganese, nitrates and, in the Autonomous Province of Vojvodina, arsenic. In Central Serbia the main problem is bacteriological contamination, with more than 40% of samples not meeting required standards for unlimited use. Moreover, the reserves of underground water in the Autonomous Province of Vojvodina are polluted with heavy metal contamination, particularly arsenic.

3.1.3 Waste

The waste management is based on a major shift from the model of regional sanitary landfills to regional waste management centers, which include waste sorting, separation, and recycling, as well as non-recyclable waste treatment. At this time, there are 11 regional sanitary landfills; 11 transfer stations, in 5

[3] Annual report on the state of air quality in the Republic of Serbia in 2019, Serbian Environmental Protection Agency, 2020

of which the separation of individual fractions of municipal waste is performed; 36 recycling centers, but only 27 of which are functional.

As for national waste management legislation, there is a good level of alignment with the EU acquis with the Law on Waste Management fully harmonized with the EU acquis Communautaire, and the numerous sub-laws that are currently being developed.

The most visible and probably the most complex problems concern municipal waste management, where Serbia lags seriously behind comparable countries in Central and Eastern Europe in virtually all stages of the process – from collection to disposal, while municipal waste treatment hardly even exists. The level of recycling and re-use of waste is very low with only around 3%.

Over 140 non-sanitary landfills and dumpsites have been estimated posing high risks to the environment. Leakage from these dump sites poses a threat to groundwater, surface water and soil, due to the high content of organic matters and heavy metals. Serbia also lacks infrastructure for treatment, disposal and storage of hazardous waste, which is not separately collected and disposed, and currently it is processed in regular waste disposal sites.

Serbia will need to increasingly focus on other forms of waste management, following the waste hierarchy, and using landfilling as a last resort. The switch to circular economy principles and goals with measures covering the whole cycle: from production and consumption to waste management and the market for secondary raw materials will help the country boost its global competitiveness, foster sustainable economic growth and generate new jobs. The aim is to contribute to "closing the loop" of product lifecycles through greater recycling and re-use, by this bringing benefit for both the environment and the economy.

3.1.4 Soil[4]

Soil erosion is one of the main processes of soil degradation in Serbia and the cause of deteriorating land quality. It is estimated that various degrees of soil erosion affect about 80% of agricultural land. In the central and hilly-mountainous areas, water erosion predominates, while in Aeolian erosion prevails in Vojvodina in northern Serbia, affecting about 85% agricultural land. Some parts of the territory are endangered by landslides.

Soil quality is also affected by uncontrolled and inadequate waste disposal and pollution within industrial complexes. On the territory of the Republic of Serbia, 709 potentially contaminated sites were registered. The majority of these sites is in the category of potentially contaminated and requires additional research.

Monitoring of chemical pollution levels in soil in urban areas is performed by cities and municipalities within local monitoring. The results allow for display endangerment of land in the vicinity of water sources, in city parks, along with traffic roads and landfills in order to determine areas of priority for cultivation and remediation.

[4] Report on the state of soil in the Republic of Serbia, Serbian Environmental Protection Agency, 2016-2017

Estimation of the content and spatial distribution of organic carbon in the soil show that land use, origin and climatic factors have the greatest impact on the level of organic carbon in the surface layer of the soil. Average content of organic carbon in agricultural land in the surface layer (30 cm) is 1.58%, which can be considered low content with a tendency to decrease.

3.1.5 Noise

Dominant source of noise in Serbia is traffic. It is the main source of disturbance and present a health hazard for the Serbian citizens in urban areas and others that live close to traffic noise sources (highways and railways).

The Serbian Law on noise is harmonized with the relevant European directive and the strategic noise mapping is an ongoing process through last decade. Several hundreds of kilometers of noise protection barriers have been constructed along the Serbian arterial traffic network, mainly on highway sections that are part of trans-European network.

3.1.6 Climate change

The Republic of Serbia is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) from 2001 and the Paris Agreement of August 24, 2017.

In June 2015, the Government of the Republic of Serbia submitted its intended nationally determined contributions (INDCs). The Law on Climate Change has been adopted, revision of the NDC (working version) and draft of the Low-Carbon Development Strategy with an Action Plan have been prepared, and a National Adaptation Program is being prepared. The first and the second national communications have been submitted to UNFCCC in 2010 and 2016, and the third has been prepares in 2021.

Although there has been progress in reporting and meeting the obligations under the Convention, there is still a need to improve the legal, procedural and institutional framework for reporting on climate change, including the preparation of BURs and national communications. The inclusion of climate change aspects in sectoral policies and measures, as well as national development goals, remains low, as do the capacities of policy makers at national and local government level on the importance of this issue.

According to the World Meteorological Organization, the estimated effects of climate change on Serbia will be the medium range. Serbia, as well as south-east Europe, is likely to have hotter summers, decreased precipitation and, therefore, an increased risk of summer drought. According to data trend over the last 35 years an increase of yearly air temperature by 1°C is noted on Serbian territory in the last 100 years. Shorter periods have greater positive values which mean that the increase of temperature at yearly level has intensified over the last couple of decades. Although there are periods with positive and negative trends, since 1982 negative trends ceased and only an increase in temperatures was noted and it lasts still today.

3.1.7 Biodiversity, flora and fauna

Serbia has rich and diverse biodiversity, flora and fauna, including a number of different types of ecosystems of particular environmental importance. Still specific diversity in Serbia is under-researched or documented. According to available data, it is estimated that around 60000 species and subspecies exists. These includes: 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.

According to the Red list of Serbian flora (2002) it is estimated that in Serbian territory over 1000 species of flora are endangered. Most of the endangered plants in Serbia is in the IUCN category of "rare plants". The most endangered part in Serbia's biodiversity considers the forest ecosystems and especially sensitive ecosystems (e.g. wetland habitats, prairie habitats, continental salt marshes, sandy terrains, mountain habitats) some of which are refugee habitats for relict and endemic species.

Serbia has 5 national parks and seven nature parks. Based on the preliminary list of the Institute for Nature Conservation of Serbia, there are 68 potential Ramsar areas in Serbia.

3.2 Social baseline

3.2.1 Socio-economic trends

The estimated number of inhabitants in the Republic of Serbia in 2019 is 6 945 235. Observed by sex, 51,3% are women (3 561 503), and 48,7% men (3 383 732). Depopulation trend continued, meaning that the population growth rate, relative to the previous year, is negative and amounts to -5,4‰[5].

Demographically, Serbia is characterized by a strong depopulation trend (between January 1, 2014 and January 1, 2018, the Republic of Serbia lost 147,736 persons), low fertility, relatively high (in European terms) specific mortality rates, high average age population (43 years) and unfavorable age structure.

The trend of increasing life expectancy at birth for both sexes continued. The achieved value of this indicator is 77.9 years for women and 73 years for men in 2017. Despite the historical maximum reached, life expectancy in the Republic of Serbia is shorter than the EU average by over five years. The elderly dependency index in 2017 was 29.7% with projections of reaching a value of 36.3% in 2041.

Rough estimates based on data from different statistical sources indicate an average annual negative external migration balance of at least 15,000 persons (data from countries that most often accept migrants from the Republic of Serbia, the Statistical Office of the Republic of Serbia and the Commissariat for Refugees and Migration).

The Serbian Labor Force Survey reports that employment in the Republic of Serbia increased by 75,300 (+ 2.8%) in 2017, which is half the growth recorded in 2016 (by 145,200 and +5, respectively), 6%). The

[5] https://www.stat.gov.rs/sr-latn/vesti/20200701-procenjen-broj-stanovnika-2019/?s=1801

decrease in the unemployment rate, started in 2013 and continued into 2019. The unemployment rate in Q1 of 2020 is 9,7% and is the same when compared to Q4 2019.

Poverty remains significant, both in absolute terms (the share of persons whose consumption is below the threshold needed to meet their existential needs - 7.3% in 2016), and relatively high (the share of persons at risk of poverty is 25.5% in 2016). The at-risk-of-poverty rate by most common status in the labor market (lasting more than six months) indicates that the unemployed are in the worst position (48.0%, i.e. almost every other unemployed is at risk of poverty). Employment significantly reduces the risk of poverty, but the quality of employment remains a key factor in ending poverty (the self-employed have a significantly higher at-risk-of-poverty rate than employees at the employer, 32.4% vs. 9.0%). Retirees are in the most favorable position, after employees with employers, with a risk of poverty which is approximately at the level of total employees (15.4%). Education is a decisive factor for a person's economic status and ability to generate income, and it is therefore not surprising that lower-educated people are above average at risk of poverty. The highest at-risk-of-poverty rate in 2016 - 2018 period was in the population with primary education and lower than primary school (39.1%), and the lowest in the at risk-of-poverty population with high school or university education (10.3%). This distribution of the population at risk of poverty by level of education clearly indicates that education is important, since the labor market rewards highly educated people.

Vulnerable groups include: retired, elderly, and people with disabilities and chronic diseases; single-parent headed households, male and female; people with low literacy and ICT knowledge; economically marginalized and disadvantaged groups; persons living below the poverty line; Roma people; Ethnic minorities (e.g. Hungarians) and women.

3.2.2 Education and skills

According to data from the Statistical Office of the Republic of Serbia from the 2011 census, there are 164,884 or 2.68 percent of illiterate residents in Serbia. The results of the 2011 census showed that the number of illiterate people in Serbia was halved compared to the 2002 census. In Serbia, 850,000 inhabitants, 14 percent of the population, is without school or with a few elementary school grades. The incomplete elementary school have 677,000 residents of Serbia, or 11 percent.

In the Republic of Serbia, 51% of persons aged 15 and over are computer illiterate, that is, 34.2% of persons are computer literate, while 14.8% are partially computer literate (May 2019).

3.2.3 Gender and gender equality

The Constitution of the Serbia proclaims principles of gender equality (Art. 15), all internationally recognized human right (Art. 18), and prohibition of any form of discrimination (Art. 21), gender equality in marriage (Art. 62). Although the Constitution fails to mention gender pay equality, articles of The Labor Law treats rights of men and women equally, including right of equal pay. Additionally, according to provisions of this Law, a working woman has the right of absence from work due to pregnancy and childbirth, maternity leave, and absence from work for childcare, for a total of 365 days. This length of maternity leave is usually used in full, making it one of the lengthiest in the world. The right of employment is also proclaimed equal, but because of maternity leave provisions young women in certain cases will be discriminated in employment possibility, although it is illegal to ask questions about maternity plans during job interviews. This particularly applies to employment in small and moderate private enterprises.

Despite principles however, many women in Serbia face challenges combining paid work and childcare responsibilities. This could be an additional cause for Serbia's low fertility rate, which is one of the lowest in European countries, and average in the region at 1.46 percent in 2014. The employment rate of women in Serbia (38.3%) is significantly lower than the EU-27 average (58.5%) .

3.2.4 Ethnicity

The Constitution of RoS proclaims principles of ethnic equality and protection of all ethnic minorities (Art. 14), all internationally recognized human rights (Art. 18), prohibition of any form of discrimination (Art. 21), and protection of minority rights (Art. 22). Serbia is home to many different ethnic groups. According to the 2011 census, Serbs are the largest ethnic group in the country and constitute 83.3% of population. Hungarians are the largest ethnic minority in Serbia, concentrated predominately in northern Vojvodina and representing 3.5% of the country's population (13% in Vojvodina). Roma nationals constitute 2% of the total population but unofficial estimates put their actual number to be twice or three times as high. Bosniaks are the third largest ethnic minority mainly inhabiting Raska region in southwestern part of the country. Other minority groups include Croats (0.9%), Slovaks (0.8%), Albanians, Montenegrins (0.5%), Romanians (0.4%), Macedonians (0.3%), and Bulgarians (0.3%). The Chinese and Arabs are the only two significant immigrant minorities.

The official language is Serbian and is native to 6,330,919 or 88% of the population. Recognized minority languages are Hungarian (mother tongue to 243,146 people or 3.4% of population), Slovak, Albanian, Romanian, Bulgarian and Rusyn as well as Bosnian and Croatian which are completely mutual intelligible with Serbian language. All these languages are in official use in municipalities or cities where more than 15% of population consists of national minority. In Vojvodina, provincial administration uses, besides Serbian, five other languages (Hungarian, Slovak, Croatian, Romanian and Rusyn).

3.2.5 Economy and livelihood

Serbia is considered to be an emerging market economy. The economy was tipped into the latest recession primarily by the May 2014 floods. The floods are estimated to have caused around euro 864 million in damages and euro 648 million in losses. This translates into, respectively, 2.7 percent of GDP in damages and 2 percent of GDP in losses in 2014. The energy sector was most severely hit as two major lignite mines that serve as a source of fuel for thermal plants were flooded. Between May and December 2014, energy sector output was one third lower than in the same period in 2013.

3.2.6 Population in rural areas

In 2018, 122 193 persons internally migrated within the Republic of Serbia. The average age of persons who changed residence was 34.2 years (34.8 for men and 33.6 for women). The capital (Belgrade) region and northern Vojvodina region had a positive migration balance in 2018. In 2018 most of the persons moved from one municipality/city to another within the same area (39.1%), and at least from one to another settlement within the same municipality/city (23.6%). The largest number of migration movements was recorded in the territory of the Belgrade area, 50 982 (41.8%) immigrants and 44 004 (36.0%) emigrants. The South and East regions of Serbia had a negative population trend and a deprivation of 3236 persons compared to the same period in 2017. This confirms that despite rural development measures the rural areas still struggle with depopulation.

Economic growth has disproportionately benefited rural and low-income households. In Serbia, the income of the poorest 40 percent grew by an annualized average of 3.9 percent between 2013 and 2017, higher than the income growth of 1.5 percent for the whole population.

4 POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK

4.1 Overview

The legal and institutional framework for environmental and social issues is founded on the Constitution of the Republic of Serbia, stipulating the right to a healthy environment and the duty of all, in line with the law, to protect and enhance the environment. Health and environment are also supported by many governmental strategies, international agreements and the Millennium Development Goals.

In the EU accession process, as the EU candidate country for membership status, Republic of Serbia has taken a significant effort to reach environmental requirements in line with the EU acquis. A set of environmental legal framework was adopted transposing requirements of relevant EU directives to national legislation. Still, a series of laws and bylaws need to be adopted in order to harmonize the horizontal legislation with EU directives. Negotiating Chapter 27, Environment and Climate Change, is the most complex and challenging one in terms of technical, financial and administration issues, with more than 750 different legal acts needed to be developed and adopted and over 10 billion euros of investments needed for implementation.

The body of environmental legislation in the Republic of Serbia consists of a large number of laws and regulations. Currently, the majority of these are harmonized with EU legislation.

4.2 Reaching environmental standards in Serbia

The Republic of Serbia is taking a huge effort to reach good environmental standards. A set of environmental laws adopted during the last two decades contributed to Serbia coming closer to desired environmental standards. The standards of good environmental practice are applied throughout the country, and progress is particularly visible within the energy and transport sector, also due to the fact that several large projects were financed by different International Financing Institutions (IFI), which implemented a strict environmental system.

4.3 Relevant Government Policies, Acts, Rules, Strategies and Guidelines

In the field of environmental protection, the following pieces of national legislation are relevant:

4.3.1 The Constitution of the Republic of Serbia

The current Constitution of the Republic of Serbia, also known as Mitrovdan Constitution, was officially adopted by the National Assembly on November 8th 2006, when Serbia became independent after Montenegro's secession and the separation of Serbia and Montenegro.

The main provisions of the Constitution proclaim the rule of law and social justice, principles of civil democracy, human and minority rights and freedoms, equality and commitment to European principles

and values and the right to a healthy natural environment. It also provides the right to receiving timely and comprehensive information about the state of the environment and any changes thereto.

4.3.2 The National Strategy for Sustainable Development

The National Strategy for Sustainable Development sets the standards for public health and environmental risk factors, including climate change, waste, chemicals, accidents, radiation, noise and natural disasters, such as floods, landslides, fires and earthquakes.

4.3.3 The Sustainable Urban Development Strategy (SUDS)

The SUDS represent an integrated program until 2030 for tackling the next stage of the development of Serbia's cities and municipalities. The new strategy will contribute to Serbia's EU accession process and help harmonize its urban development policy and approach with the objectives of the EU Urban Agenda, the EU Green Deal, the New Urban Agenda adopted at the Habitat III United Nations (UN) Conference in 2016 in Quito, and the number 11 of the UN's Sustainable Development Goals: *"Make cities and human settlements inclusive, safe, resilient, and sustainable."* The SUDS applies to all LSGs and recognizes that among main weaknesses at the LSG level are (i) insufficient and unstable access to financing, (ii) outdated infrastructure, (iii) low accessibility, (iv) lack of participatory approach, (v) legacy and ineffective public utility companies and services, (vi) climate change and air pollution, and (vii) lack of sound asset and investment management frameworks. At the same time, the Strategy recognizes that opportunities are in improvement of these aspects.

4.3.4 The Law on Environmental Protection

The Law on Environmental Protection ("Official Gazette of RS" No 135/2004, 36/2009, 36/2009 – other law, 72/2009 – other law, 43/2011 – CC ruling, 14/2016, 76/2018, 95/2018 – other law and 95/2018 – other law) regulates integral system of environmental protection. The Law defines subjects of the environmental protection system, their authorities and obligations. The subjects of environmental protection system are required to cooperate, provide coordination and harmonization in decision making and implementation.

The Law on Environmental Protection is fully harmonized and transposes the Council Directive 2003/105/EC, which amends Council Directive 96/82/EC on the control of major-accident hazards involving dangerous substances (Seveso II Directive).

This general Law prescribes management of natural goods (including adoption of strategic documents, plans and programs), measures and conditions of environment protection (EIA, SEIA, EMAS system certification, etc.), monitoring of environment media quality, defines information accessibility and public participation, establishes fund for environment protection and defines responsibilities. Among the rest, the Law prescribes determination of environmental quality standards and air quality and air emission standards, i.e. limit values for air quality and emission of contaminated substances and energy into the air, water and soil, including and emission from mobile sources of pollution.

This Law stipulates that a public authority that is planning the construction of a major work or project shall, first of all, conduct an Environmental Impact Assessment (EIA) and to file with the ministry in charge for environmental protection a report summarizing the findings of that EIA Report, if such a project or work has a significant potential for causing Environmental Damage. In what concerns the EDGE Project,

none of its activities are projected to possess such potential for causing environmental damage, therefore the EIA is not required.

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.

4.3.5 The Law on Environmental Impact Assessment

The Law on Environmental Impact Assessment ("Official Gazette of RS" No. 135/2004 and 36/2009) regulates the impact assessment procedure for projects that may have significant impact to the environment, the contents of the Environmental Impact Assessment (EIA) Study, the participation of authorities and organizations concerned, the public participation, trans-boundary exchange of information for projects that may have significant impact on the environment of another country, supervision and other issues of relevance to impact assessment.

According to this law, object of environmental impact assessment are projects where are planned and performed technology changes, reconstructions, capacity enlargement, deactivations and removal of the projects which can have significant environmental impact. Also, object of impact assessment are projects which have been realized without environmental impact assessment, and don't have building or operational permit (i.e. current status impact assessment).

Government of the Republic of Serbia determines the List of projects for which an impact assessment is mandatory and the List of projects for which an impact assessment may be required. Based on these lists of the projects authorized organs decide about the need of certain projects impact assessment. The Law also contains the procedures for obtaining Final Environmental Approval to the EIA study from the Department of EIA for different types of proposed industries or projects.

Other pieces of legislation regulating the EIA process are the following:

- Law on Strategic Environmental Impact Assessment ("Official Gazette of the RS" no. 135/04 and 88/10)
- Regulation on the determination of the List of projects for which impact assessment is mandatory, and the List of projects for which the environmental impact assessment may be required ("Official Gazette of the RS" no. 114/08)
- 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 the RS" no. 69/05)
- Rulebook on the contents of the EIA Study ("Official Gazette of the RS" no. 69/05)
- Law on confirmation of convention on information disclosure, public involvement in process of decision making and legal protection in the environmental area ("Official Gazette of the RS" no. 69/05)
- Rulebook on the content, appearance and manner of keeping the public book on implemented procedures and adopted decisions on environmental impact assessment ("Official Gazette of the RS" no. 69/05)
- Rulebook on the procedure of public inspection, presentation and public consultation about the EIA Study ("Official Gazette of the RS" no. 69/05)

- Rulebook on the work of the Technical Committee for the EIA Study ("Official Gazette of the RS" no. 69/05)

4.3.6 The Law on Air Protection

Law on air protection regulates air quality management and determines the measures, the manner of organizing and controlling the implementation of protection and improvement of air quality as a natural value of general interest that enjoys special protection.

4.3.7 The Law on Climate Change

The Law on Climate Change ("Official Gazette of RS" No. 26/2021) has been adopted in March 2021, in force from April 1st, 2021.

This law regulates the system for limiting greenhouse gas emissions (hereinafter: GHG) and for climate change adaptation, monitoring and reporting on low-carbon development strategy and its improvement, program for climate change adaptation, adoption of low-carbon development strategy and program for climate change adaptation, issuing permits for GHG emissions to plant operators, issuing approvals to the aircraft operator's monitoring plan, monitoring, reporting, verification and accreditation of verifiers, administrative fees, supervision and other issues relevant to limiting GHG emissions and climate change adaptation.

The provisions of this law apply to man-made GHG emissions and sectors and systems exposed to the effects of climate change.

The GHGs referred to in this Law are carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), fluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).

The aims of this law are:

- to establish a system to reduce GHG emissions in a cost-effective and economically feasible way, thus contributing to the achievement of scientifically necessary levels of GHG emissions to avoid dangerous climate change at global level and the adverse effects of climate change;
- to reduce GHG emissions and adapt to changed climate conditions by adopting and implementing public policy documents;
- to establish mechanisms for timely, transparent, accurate, consistent, comparable and complete reporting and verification of information on the fulfillment of obligations set by relevant laws and protocols on climate change.

4.3.8 The Law on Waste Management

The Law on Waste Management ("Official Gazette of RS" No. 36/2009, 88/2010, 14/2016 and 95/2018), which is harmonized with all relevant EU directives, has been adopted in 2009 and last amended in 2018. The Law regulates types and classification of waste; waste management planning; waste management entities responsibilities and obligations in waste management; organization of waste management; managing special waste streams; conditions and procedure for permit issuance; transboundary movement of waste; reporting on waste and database; financing of waste management; supervision, and other issues relevant for waste management.

Waste Management is based on the principle of the selection of the most optimal option for the environment, self-sufficiency principle, principle of proximity and regional approach to waste management, principles of waste management hierarchy, responsibility and "polluter pays" principle.

The waste catalog of the Republic of Serbia is fully harmonized with the European waste catalog and is part of the Regulation on the conditions and manner of sorting, packaging and storage of secondary raw materials (Official Gazette of RS, No. 55/2001 and 72/2009 - other regulation).

4.3.9 The Law on Water

The Law on Water ("Official Gazette of RS" No. 30/10, 93/12, 101/2016, 95/2018 and 95/2018 – other law) regulates the legal status of waters, integral water management, water facility management and water soil management, sources and method of financing water activities, supervision over the implementation of this law, as well as other issues important for water management. The Law on Water incorporates Water Framework Directive.

The Law prescribes various provisions aimed to define the legal status of waters on the territory of the Republic of Serbia, defines the integrated water management approach, rules regarding the management of water facilities and water land, resources and financing of water activities, sustainable use of water resources, supervision, rules related to the surface water and groundwater including thermal and mineral waters, except groundwater from which useful mineral raw materials and geothermal energy can be obtained.

4.3.10The Law on Efficient and Rational Use of Energy

The Law on Efficient and Rational Use of Energy ("Official Gazette of RS" No. 40/2021) regulates the conditions and manner of efficient use of energy and energy products (hereinafter: energy); energy efficiency policy; energy management system; energy efficiency policy measures: use of energy in buildings, in energy activities and end customers, for energy facilities and energy services; energy labeling and eco-design requirements; financing, incentives and other measures in this area; establishment and operations of the Directorate for Financing and Encouragement of Energy Efficiency (hereinafter: the Directorate), as well as other issues of importance for the rights and obligations of individuals and legal entities related to the efficient use of energy.

The aim of this law is to create conditions for efficient use of energy and improvement of energy efficiency, which contributes to:

1) achieving energy savings;
2) security of energy supply;
3) reducing the impact of the energy sector on the environment and climate change;
4) sustainable use of natural and other resources;
5) increasing the competitiveness of the economy;
6) improving the conditions for economic development;
7) reducing energy poverty.

4.3.11The Law on the Use of Renewable Energy Sources

The Law on the use of renewable energy sources ("Official Gazette of RS", No. 40/2021) regulates the use of energy from renewable sources, targets for the use of energy from renewable sources, the method of determining the share of renewable energy sources in the gross final energy consumption, integration of energy from renewable sources into the market, incentive systems for electricity production from renewable sources, guarantees of origin electricity, production of electricity from renewable sources for own consumption, use of renewable energy sources in the field of heat and transport, special procedures related to the construction and connection of energy facilities using renewable energy sources, basics of cooperation mechanisms with other countries in the field renewable energy sources, supervision over the implementation of this law, as well as other issues of importance for renewable energy sources.

To regulate the use of energy from renewable sources, the Law defines the following measures and activities (among others), relevant to the Project, to be taken to achieve long-term goals: 1) reducing the use of fossil fuels and increasing the use of renewable energy sources in order to protect the environment; 2) creation of new jobs and development of entrepreneurship in the field of renewable energy sources.

4.3.12The Law on Protection Against Environmental Noise

Law on noise protection in the environment (“Official Gazette of RS” No. 36/2009 and 88/2010) defines subjects of environmental protection from the noise, measures and conditions of noise protection, monitoring of the noise in the environment, access to the data on noise, supervision and other questions. It transposes EU Directive 2002/49/EC relating to the assessment and management of environmental noise. The limit levels of noise are covered by the Regulation on permitted level of noise in the environment.

4.3.13The Law on Soil Protection

The Law on Soil Protection (“Official Gazette of RS” No. 112/2015) regulates land protection, systematic monitoring of the condition and quality of land, remediation, remediation, reclamation, inspection and other issues of relevance to protection and conservation of the land as a natural resource of national interest.

4.3.14The Law on Nature Protection

The Law on Nature Protection (“Official Gazette of RS” No. 36/2009, 88/2010, 91/2010 – change, 14/2016 and 95/2018 – other law) defines protection and preservation of nature, biological, geological and regional diversity. Nature as a common interest for the Republic of Serbia enjoys special protection in accordance with this and special laws.

The following objectives are achieved by this law: 1) protection, conservation and improvement of biological (genetic, special and ecosystem), geological and landscape diversity; 2) harmonization of human activities, economic and social development plans, programs, bases and projects with sustainable use of renewable and non-renewable natural resources and long-term preservation of natural ecosystems and natural balance; 3) sustainable use and / or management of natural resources and goods, ensuring their function while preserving the natural values and balance of natural ecosystems; 4) timely prevention of human activities and activities that can lead to permanent impoverishment of biological, geological and landscape diversity, as well as disorders with negative consequences in nature; 5) identification and

monitoring of the situation in nature; 6) improvement of the state of disturbed parts of nature and landscape.

The natural protected areas are governed by Institute for Nature Protection of Serbia (INP), according to the Law on Nature Protection

4.3.15The Law on Planning and Construction

The Law on planning and construction ("Off. Gazette of RS", No. 72/2009, 81/2009 - correction, 64/2010 - decision of the CC, 24/2011, 121/2012, 42/2013 - decision of the CC, 50/2013 - decision of the CC, 98/2013 - decision of the CC, 132/2014, 145/2014, 83/2018, 31/2019, 37/2019 - other act and 9/2020) regulates the following: conditions and modalities of spatial planning and development, development of general and detailed regulation plans, 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. It also prescribes procedure for: issuance of site conditions; issuance of building permit; notice of works; issuance of occupancy permit; attainment of conditions for design, i.e. connection of a facility to the infrastructure network; obtaining legal instruments and other documents issued by the holders of public authorities required for the construction of facilities, i.e. for the issuance of site location conditions, building permit and occupancy permit within their competence, as well as for the provision of conditions for connection to the infrastructure network and for the registration of title to the built facility and for designating a house number (unified procedure).

4.3.16The Law on cultural property

According to the Law on Cultural Heritage ("Official Gazette of RS", No. 71/94, 52/2011 - other law, 99/2011 – other law and 6/2020 - other law) regulates the system of the protection and use of cultural property and defines conditions for the implementation of activities relating to the protection of cultural property.

4.3.17The Law on Expropriation

The Republic of Serbia Expropriation Law ("Official Gazette of RS" No 53/95, 20/2009, 55/2013-CC ruling and 106/2016 – authentic interpretation) was passed in 1995 and enacted on January 1, 1996, amended in March 2001 and again on March 19, 2009 and 2018). The Law guides expropriation and serves as a general framework for expropriation in the Republic of Serbia. The law also enshrines the principle of compensation at market value. The term ‘expropriation’ corresponds to WB term ‘involuntary resettlement’ and any potential land acquisition or resettlement will be guided by the Project RPF. The RPF includes a detailed GAP analysis to determine where the Law on Expropriation will be relevant and where the ESS5 shall prevail.

4.3.18Law on Occupational Safety and Health

The Law on Occupational Safety and Health (“Official Gazette of RS” No. 101/2005, 91/2015 and 113/2017 -other law) 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.

This Law regulates working conditions at a workplace, rights of employees and employer obligations, in general. Nor does it specify those issues, except for general emergency situations like fire at a workplace, electrical hazards, and so on. It does not cover any specific issues related to infrastructure deployment.

Rulebook on preventive measures for occupational health and safety and prevention and containment of contagious diseases epidemic ("Official Gazette RS" No 94/2020) governs preventive measures employers need to introduce at workplaces and applies to all persons at workplaces in cases an epidemic has been declared.

The provisions of this are further elaborated in numerous by-laws, for regulating the specific implementation procedures. A total of 8 legal acts and 55 rulebooks related to the area of occupational health and safety are ensuring implementation of the Law, and providing targeted OHS procedures for e.g. working on temporary and movable construction sites; deep drilling and exploitation of raw minerals; exposure to asbestos; working in an environment at risk from explosive atmosphere; mitigation measures from hazardous risk of electricity.

4.3.19 Regulation on Labor, Working Conditions and Gender equality

The following regulations are relevant to labor, working conditions and gender equality in general and also apply to workers engaged by the Project:

Labor Law	(2005 as amended in 2018)
Law on Civil Servants	(2005 as amended in 2018)
The Law on Peaceful Settlement of Labor Disputes	(2004 as amended in 2018)
Law on Employment and Unemployment Insurance	(2009 as amended in 2017)
Law on Employment of Foreign Citizens	(2014 as amended in 2019)
Law on Retirement and Disability Insurance	(2003 as amended in 2019)
Law on Health Insurance	(2019)
Law on the Prohibition of Discrimination	(2009)
Law on the Prevention of Harassment at the Workplace	(2010)
Rulebook on Conduct of Employers and Employees in Relation to Prevention and Protection from Harassment at Work	(2009)
Law on Protection of Whistle Blowers	(2014)
Law on Gender Equality	(2009)

The Republic of Serbia is a signatory of a number of important and binding international documents, which guarantee the equality of women and men and prohibit gender-based discrimination. Among these documents, the most important are documents of the United Nations (Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination against Women — CEDAW), the Council of Europe (European Conventions for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter and the Council of Europe Convention on preventing and combating violence against women and domestic violence) and the European Union (EU Charter of Fundamental Rights).

4.3.20 National Legal Framework guiding Labor and Working Conditions

The legal framework of Serbia guiding Labor and Working Conditions is, with a few minor shortcomings, strongly compliant with the ESS2 as Serbia is signatory to the International Labor Organization (ILO) and United Nations (UN) Conventions informing the ESS2).

The Labor Law ("Official Gazette of RS" No. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014, 13/2017- CC ruling,113/2017 and 95/2018 – authentic interpretation), is the main legislation that guides labor practices in Serbia. It provides for the minimum rights of employees such as the right to corresponding salary/wage, safety and health at work, health-care protection, personal integrity protection, personal dignity, and other rights in the event of illness, reduction or loss of work ability and old age, including unemployment financial benefits during temporary unemployment, as well as the right to other forms of protection, in conformity with the law and bylaw, i.e. the employment contract. An employed woman is entitled to special protection during pregnancy and childbirth. Special protection is also guaranteed to employees under 18 years of age and an employed person with a disability.

The terms and conditions provided by this Law also includes ban to direct or indirect discrimination regarding employment conditions and choice of candidates for performing a specific job, conditions of labor and all the rights deriving from the employment relationship, education, vocational training and specialization, job promotion and termination of employment contracts on the grounds of differences by virtue of sex, birth, language, race, color of the skin, age, pregnancy, health condition, and/or disablement, ethnic origin, religion, marital status, family obligations, sexual orientation, political or other belief, social background, financial status, membership in political organizations, trade unions, or any other personal characteristic. The LL guarantees the employee's right to corresponding earnings, compensations and refund of expanses, entitlement to training and professional development, provision of safety and health at work, health-care protection, personal integrity protection, personal dignity, and other rights in the event of illness, reduction or loss of work ability and old age, including financial benefits of temporary unemployment, as well as the right to other forms of protection.

The provisions of the Labor Law apply to all employees who work in the territory of the Republic of Serbia for a national or foreign legal or natural person (i.e. employer), as well as to employees assigned to work abroad by an employer, unless otherwise specified by the law.

4.4 Relevant Institutions

A large number of institutions in the sector of environment and climate change are relevant and involved at national, regional and local level.

The main actors are the following:

- The Ministry of Environmental Protection (MEP)
- The Provincial Secretariat for Urban Planning and Environmental Protection (PSUEP)
- The local self-government authority responsible for environmental protection issues
- Serbian Environmental Protection Agency (SEPA)
- The Ministry of Agriculture, Forestry and Water Management
- The Ministry of Construction, Transport and Infrastructure
- The Ministry of Health
- The Ministry of Mining and Energy
- Ministry of Labor, Employment, Veterans and Social Affairs
- Labor Inspectorate
- OHS Inspectorate
- The local self-government units (LSGs), and
- Public Utility Companies (PUCs).

4.4.1 The Ministry of Environmental Protection (MEP)

MEP is the key relevant institution for environmental management of all activities under the LIID Project. In addition, for subcomponents relevant environmental departments within respective cities/municipalities are responsible for environmental protection and for conducting all environmental procedures in accordance with the applicable Laws.

MEP is in charge for the development, review and monitoring of the implementation of the National Programme for the Adoption of the Acquis for chapter 27, for the follow-up of European Union environmental regulations, and preparation of proposals for the planning of communication activities for Chapter 27. MEP is responsible for the development of the policy and regulatory framework which is largely driven by the EU accession process.

MEP is responsible for the following areas relevant for the EU Acquis in environment:

- horizontal environmental issues (EIA, SEA, public participation, etc.),
- air quality,
- chemicals management,
- climate change (excluding technical demands to vehicles and fuel quality),
- ozone layer protection,
- waste management excluding radioactive waste,
- protection from major chemical accidents and participation in response on chemical accidents,
- industrial pollution,
- nature and biodiversity,
- water quality (water pollution protection to prevent quality deterioration of surface and underground water),
- waste and wastewater infrastructure,
- protection from environmental noise.

4.4.2 The Environmental Protection Agency – SEPA

It is an administrative body within the MEP. It is responsible for:

- management of the national Environmental Protection Information System and Register of Polluters,
- state monitoring of water and air quality and management of the national laboratory,
- implementation of established and compliance programmes for the quality control of air, surface and groundwater from first aquifer and precipitations,
- monitoring, analysis and forecasts of quality of air and water
- collection and integration of environmental data, and processing of data in order to prepare annual reports on the state of the environment and implementation of environmental policy in Serbia,
- as focal point, for co-operation with the EEA and EIONET.

4.4.3 The Ministry of Agriculture, Forestry and Water Management (MAFWM)

MAFWM is generally responsible for the strategy and policy of development of agriculture and food industry, for rural development, agricultural policy, a system of market information in agriculture; production, certification and quality control of seed and planting material. Within the MAFWM this managed by the Directorate for Agriculture Land .

4.4.4 The Ministry of Construction, Transport and Infrastructure (MCTI)

MCTI is generally responsible for road transport, roads and traffic safety, railways and intermodal transport, air traffic and transport of dangerous goods, waterways transport and navigation safety, construction affairs, implementation of consolidated procedures and legislation, spatial and urban planning, international cooperation and European integration, inspection supervision and housing and architectural policy, communal activities and energy efficiency.

MCTI is the implementing agency for the LIID project.

4.4.5 Ministry of Health

The Ministry of Health is responsible for:

- the implementation of sanitary regulations pertaining to environmental protection and biosafety,
- sanitary inspection,
- water supply for public consumption,
- control and the monitoring of sanitary conditions in and on objects and at the border and other places.

4.4.6 The Institute for Nature Conservation in Serbia

The Institute is a professional institution that generally carries out activities on protection and improvement of the natural heritage of Serbia. At national level the Institute is:

- contributes to the implementation of EU nature protection Directives with corporation of Ministry of Environmental Protection,
- is the scientific authority with regard to Implementation CITES in cooperation with the CITES unit in the MEP.

4.4.7 The network of institutes responsible for Labor, working conditions and OHS

The authorities relevant to the labor and OHS sector in terms of supervising implementation of the Labor and OHS regulations are the Ministry of Labor, Employment, Veteran and social issues, Occupational Safety and Health Directorate of the Ministry for Labor, Employment, Veterans, and Social Policy. The Labor Inspectorate of the Ministry for Labor, Employment, Veterans, and Social Policy.

4.4.8 Relevant Institutions on Provincial level

The Government of the Autonomous province of Vojvodina has the responsibility for administration and control on its own territory. The responsibilities of AP of Vojvodina, according to the Law on Establishment of Responsibilities of AP Vojvodina, (O.G. 99/2009, 67/2012) include following sectors, relevant to the EU environmental and climate change acquis:

- urban planning, construction and land use,
- veterinary,
- agriculture,
- water management,
- forestry,

- environmental protection (art 16, 25, 28) including nature resources management;
- environmental program in line with national programmes.
- inspections and enforcement,
- collection of charges for the protection and improvement of the environment.

4.4.9 Local self-government units – municipalities and cities

Serbia has three levels of government consisting of the State level and the municipalities at the local self-government level. A conglomeration of two or more municipalities can have the status of a city.

The functions, powers, structures, and procedures of local self-government is set out in the Law on Local Self-Government („Official Gazette of the RS, No. 83/2014). Municipalities have their own elected assemblies and the power to tax. They are responsible for planning, implementation, and enforcement in their territory. Responsibilities of municipal level cover following sectors: horizontal legislation, waste, water, air quality, noise, civil protection.

Their responsibilities relating to environmental protection include (article 20):

- Development of plans and programs;
- Land use planning and construction;
- Communal services including water purification and distribution, wastewater collection and treatment, district heating, solid waste management, landfills, spatial planning, parks, nature and other;
- Environmental protection, environmental planning, in accordance with (higher level) strategic documents;
- Charges for environmental protection and improvement;
- Inspections and enforcement.
- Regulation, support and supervision of the operation and development of municipal services (treatment and distribution of drinking water, disposal and treatment of waste and wastewater);
- Regulation and definition of procedures for the use and management of springs, public water wells and public taps, including water quality standards;
- Permitting and authorisation of water abstraction and use; and
- Organisation of protection against natural and other major disasters, e.g. floods, erosion.

4.5 EIA procedure in the Republic of Serbia

Environmental impact assessment procedure in Serbia is regulated by the Law on Environmental Impact Assessment and a set of relevant bylaws. National legislation in this field is harmonized with the European EIA Directive (85/337/EEC, 97/11/EC, 2003/35/EC and COM 2009/378 as codified by the Directive 2011/92/EU). Responsibility for enforcing the EIA procedure in line with the Law on EIA lies with the following institutions:

- The ministry in charge of environmental protection (MEP) – for projects for which the construction permit is issued by the republic authority;
- The autonomous province administrative authority responsible for environmental protection (PSUEP) – for projects for which the construction permit is issued by the autonomous province;

- The local self-government unit responsible for environmental protection (department responsible for environmental protection within city/municipal administration) – for projects for which the construction permit is issued by the LSG;

Environmental impact assessment is carried out for future and ongoing projects, changes in technology, reconstruction, capacity enhancement, closure and decommissioning activities and for removal of projects that may have significant impact on the environment. The EIA is applicable to the industry, mining, energy production, transport, tourism, agriculture, forestry, water management, waste management and utility services sectors, as well as for all the projects that are planned in areas of protected natural resources of special value and within the protected zones of immobile cultural resources.

The Government of the Republic of Serbia has adopted the Regulation on the determination of the List of projects for which environmental impact assessment is mandatory, and the List of projects for which the environmental impact assessment may be required ("Official Gazette of the RS" no. 114/08):

- **List I** – projects for which environmental impact assessment is mandatory – the list includes projects with significant environmental impacts (mayor infrastructure projects, heavy industry, etc.). It is not expected that List I projects will be implemented under the LIID project. List I is given in Annex 2.
- **List II** – projects for which the environmental impact assessment may be required. For List II projects, within the LIID project it is the responsibility of MCTI/PIU to implement the EIA procedure for each subproject, in the following steps:
  1) Screening – MCTI/PIU submits a Request for the Decision about the need for EIA to competent authority;
  2) If the Decision is that EIA is not required, the competent authority may determine the minimum environmental protection requirements.
  3) If the Decision is that EIA is required, the competent authority proposes the content and the scope of the EIA study.
  4) Development of the EIA study and submission to the competent authority for approval.
  5) Decision on the approval of the EIA study by the competent authority.

  This procedure is also applicable to all activities not listed in the List I. List II is provided in Annex 3.

In addition, for any project activity adjacent to or within the nature/cultural protected area an EIA might be required based on the conditions and opinions obtained from the relevant institutions. Depending on the geographical location these are the Institute for Nature Protection (INP), Provincial Institute for the Nature Protection (PINP), Institute for Protection of Cultural Monuments (IPCM).

5 WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS

5.1 Environmental and Social Framework

To enable the World Bank and Borrowers to better manage environmental and social risks of projects and to improve development outcomes, The Environmental and Social Framework (ESF)[6] was launched on October 1, 2018.

The World Bank Environmental and Social Framework sets out the World Bank's commitment to sustainable development, through a Bank Policy and a set of Environmental and Social Standards that are designed to support Borrowers' projects, with the aim of ending extreme poverty and promoting shared prosperity. The ESF consists of three parts:

- A Vision for Sustainable Development
- Environmental and Social Policy for Investment Project Financing (IPF)
- 10 Environmental and Social Standards (ESS).

A Vision for Sustainable Development is defined by the The World Bank Group Strategy[7] that sets out the corporate goals of ending extreme poverty and promoting shared prosperity in all its partner countries. Securing the long-term future of the planet, its people and its resources, ensuring social inclusion, and limiting the economic burdens on future generations will underpin these efforts. The two goals emphasize the importance of economic growth, inclusion and sustainability – including strong concerns for equity. At the project level, these global aspirations translate into enhancing development opportunities for all, particularly the poor and vulnerable, and promoting the sustainable management of natural and living resources.

Environmental and Social Policy for Investment Project Financing (IPF) sets out the mandatory requirements of the Bank in relation to the projects it supports through Investment Project Financing. The Bank is committed to supporting Borrowers in the development and implementation of projects that are environmentally and socially sustainable, and to enhancing the capacity of Borrowers' environmental and social frameworks to assess and manage the environmental and social risks and impacts of projects.

The Environmental and Social Standards are designed to help Borrowers to manage the risks and impacts of a project, and improve their environmental and social performance, through a risk and outcomes-based approach. The standards will: (a) support Borrowers/Clients in achieving good international practice relating to environmental and social sustainability; (b) assist Borrowers/Clients in fulfilling their national and international environmental and social obligations; (c) enhance non-discrimination, transparency, participation, accountability and governance; (d) enhance the sustainable development outcomes of projects through ongoing stakeholder engagement.

[6] https://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf
[7] https://openknowledge.worldbank.org/bitstream/handle/10986/16095/32824_ebook.pdf?sequence=5

5.2 Overview of Environmental and Social Standards and their relevance for the Project

The Bank is committed to support MCTI/PIU to design and implement environmentally and socially sustainable projects, as well as to strengthen its capacity to assess and manage projects' environmental and social risks and impacts. MCTI/PIU is responsible for implementation of the Project in compliance to WB ESF. The following Environment and Social Standards (ESSs) apply to the activities being considered by LIID project.

Table 1. Environment and Social Standards triggered by the LIID Project

	Environment and Social Standards	**Relevance**
ESS1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS2	Labor and Working Conditions	Relevant
ESS3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS4	Community Health and Safety	Relevant
ESS5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not currently relevant
ESS7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not currently relevant
ESS8	Cultural Heritage	Relevant
ESS9	Financial Intermediaries	Not relevant
ESS10	Stakeholder Engagement and Information Disclosure	Relevant
	Legal Operational Policies	
OP 7.50	Projects on International Waterways	No
OP 7.60	Projects in Disputed Areas	No

ESSs relevant to the LIID project are described in more details below[8].

[8] Concept Environmental and Social Review Summary Concept Stage (ESRS Concept Stage), April 2021, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/245941614882511200/concept-environmental-and-social-review-summary-esrs-serbia-local-infrastructure-and-institutional-development-project-p174251

5.2.1 ESS1 Assessment and Management of Environmental and Social Risks and Impacts

The eligible sub-projects expected to be financed, or at least the types of activities, will be defined by Appraisal and are a part of the screening criteria in this Environmental and Social Management Framework (ESMF). The planned investments are meant to build back better and support the greening of select public infrastructure in selected municipalities. The initial criteria set at this stage, is that the activities proposed would result in energy, water, or raw material savings, pollution prevention, an increase of green areas, and an overall decrease of GHG emissions along with climate-resilient local transport. The actual definition of the types of projects or their decrease of the environmental footprint will be defined following further discussions with the Borrower and development of the project itself. Based on initial screening, vulnerable groups could include: retired persons, elderly, and people with disabilities and chronic diseases; single-parent headed households, both male and female; people with low literacy and ICT knowledge; economically marginalized and disadvantaged groups; persons living below the poverty line; Roma people; Ethnic minorities (e.g. Hungarians) and women. Since the Project is being implemented across the country the exact number of people within vulnerable groups is not known with certainty at this stage. However, the project is not expected to have a negative impact on vulnerable or excluded groups. In order to minimize and mitigate any potential negative impacts on such groups, the Project will facilitate a proactive engagement with vulnerable individuals or groups to ensure, as much as possible, that their needs are met.

Expected social impacts under component 1 include OHS risks in relation to civil works; Community health and safety risks including trespassing of the construction site, traffic, generation by the project, traffic interruptions and risk of inadequate waste management; and land loss due to minor land acquisition activities. As the sub-projects which potentially envisage land acquisition activities are not known, ESS5 is applicable on a precautionary basis. Social risks under components 2 and 3 are not anticipated at this stage. There will be community-level engagement and awareness-raising to counter impacts like traffic interruptions etc.

Combination of country-level of SEA/SH risk and the concrete proposed project SEA/SH risk is low, mostly because the sub-projects to be financed will be implemented with domestic companies and the labor used from the local areas. There will be no camps and a big number of workers per site.

The Project is expected to have overall positive environmental impacts as it should contribute to higher and more sustainable growth as well as improved services delivery by supporting local governments' capacity to build and maintain local infrastructure. Detailed eligibility criteria will be defined at a later stage, but It is expected they will include aspects like importance for the local community, connectivity to jobs and business, the inclusion of vulnerable and poor, resilience and safety, and environmental footprint, plus will also support environmentally friendly programs/projects, which could aim to protect resources as well as energy efficiency. The envisaged eligible sectors are transport, energy, solid waste, and public space.

Therefore, some environmental adverse impacts and risks may occur in Component 1, within physical works on rehabilitation and reconstruction of infrastructure facilities, but the project will not include works outside the already existing parameters. If the potential risks and adverse impacts are identified timely and all mitigation measures are applied adequately these should be small in magnitude and temporary. Thus impacts from these activities should be typical for construction works, and as such, predictable localized and, easily manageable. Some impacts for the communities living around the

construction sites, that could be identified are noise emission, dust emission, wastewater, construction waste, risks to workers (OHS issues). Due to the scale of the proposed works and all mitigation measures proposed, no major potential risks are anticipated for the communities living in the vicinities of the future work sites.

This ESMF is prepared in order to identify environmental risks and adverse impacts, provide guidance to manage them properly, and define other required management plans and communications strategies to be prepared, primarily site-specific ESMPs (or ESMP checklist)(with clearly defined procedures for screening, preparation, review, and consultation and addressed responsibility roles).

This ESMF includes, but is not limited to, gaps and responsibilities for ESF implementation and mitigation measures, a methodology for environmental and social risks and adverse impacts screening, as well as a list of non-eligible activities. This ESMF also sets forth a screening mechanism to ensure no substantial or high-risk activities (as mentioned above and further to be defined within the meaning of green infrastructure) are financed under the Project. Due to the decentralized nature of the project, this ESMF includes eligibility criteria, screening procedures, and monitoring provisions. This ESMF will also include provisions for the avoidance of any sensitive environments or protected areas, guidance for pollution prevention and environmentally sound resource use under ESS3, and any guidance on cultural heritage or chance finds as stipulated under ESS8.

5.2.2 ESS10 Stakeholder Engagement and Information Disclosure

Considering the nature of the Project, strong community, and stakeholder engagement (CE/SE) for the proposed activities are the key to Project success. Given the nationwide scope and multisectoral character of the Project, the community engagement process will be two dimensional: (I) Presentation of Project and sector and sub-project selection and (ii) sub-project-specific community engagement. The first dimension of community engagement will focus on informing the public about the Project, Project objectives, eligibility criteria for grants, etc. Once the sub-project is selected, the second dimension of engagement will focus on site-specific impacts, opportunities, and challenges of the sub-projects.

In order to ensure timely and precise stakeholder identification a Project level Stakeholder Engagement Plan (SEP), acceptable to the Bank will be developed, disclosed, and consulted by the Borrower prior to Project Appraisal. The Project level SEP shall identify Project Affected Parties (PAP) and Other Interested Parties (OIP), as well as vulnerable groups, and ensure that planning, implementation, and monitoring of CE activities are adequately coordinated across key stakeholders. Furthermore, the project level Grievance Redress Mechanism (GRM) shall be presented as a part of the Project level SEP.

For each project activity and subproject, under all three components, a sub-project level Stakeholder Engagement Plan will be developed according to the Project level SEP. The sub-project level SEP will identify all interested and affected parties and propose concrete action plans for engaging different stakeholders.

The project's CE activity will mainstream the engagement of vulnerable groups, and ensure that they benefit from the project. The stakeholder engagement activities will start during the early preparation of the Project and continue throughout the Project's lifecycle. The project will be used to strengthen the capacity of the local government in the dialogue with the communities in local road network maintenance.

5.2.3 ESS2 Labor and Working Conditions

The standard will apply to (i) direct workers hired to implement the project (PIU) and to (ii) contracted workers engaged by the contractors and sub-contractors. The project will not engage community workers. OHS procedures in Serbia are in line with ILO conventions, with clearly defined procedures and responsibilities as well as implementation control. It will be assessed during project preparation if primary supply workers, as per ESS2 definition, would be engaged. This ESMF includes Labor-Management Procedures (LMP) and sections on Environment Health and Safety (EHS) which set out the way OHS issues will be managed in accordance with the requirements of national law and ESS2.

Direct workers will be hired on a consultancy basis whereby no objection from the Bank team will be obtained for each position. The most important aspect of the implementation of the ESS2 will be ensuring contracted companies apply the respective provisions determined in the Labor-Management Procedures (LMP). Given the expected small scale nature of the works, the employment will most probably be generated at the local level, thus minimizing the risk of labor influx and the expectancy of workers from outside of the region. The project is unlikely to encounter SEA issues, but SH is possible during construction and operation and thus the LMP will include measures to address such risks. Since labor-related laws in Serbia comply with ILO conventions and are most regularly enforced, the LMP, acceptable to the Bank, will be prepared, reviewed, approved, and disclosed prior to the appraisal. The procedures will propose how to overcome gaps between the legal framework of Serbia and the ESS2 requirements based on specific works that will be conducted under the Project. The LMP will be a part of tendering documents making them binding for the contractor. Provisions for establishing a GRM for the employees will be a part of the LMP.

5.2.4 ESS3 Resource Efficiency and Pollution Prevention and Management

It is expected that a certain amount of waste will be generated as a result of the reconstruction and rehabilitation works under Component 1. If it is estimated that hazardous waste could occur during these works, this needs to be addressed in a manner prescribed for the management of this type of waste.

Prior to the start of works, Waste Management Plan needs to be prepared as part of site-specific ESMPs, to determine the quantities of waste, their categorization, and the proposed handling, storage, transport, and disposal measures. Site-specific ESMPs will be prepared and implemented in order to address procedures related to waste management, wastewater, communal, hazardous waste, if relevant.

Overall, due to the project's green and sustainable nature, significant use of natural resources is not expected. On the other side, what could be expected is reduced use of energy and natural resources as project grants will be available for these kinds of projects. Grants will be provided for each LSG (value will be determined per predefined formula), but eligible infrastructure investment will have to be green, to improve resilience, safety, and/or environmental footprint and will focus on transport, energy, solid waste, and public space. At this stage, some of the anticipated projects include activities that decrease amounts of waste being deposited to landfills, promote recycling, promote sound construction with limited use of new construction materials, water-saving measures where possible, and use of renewable energy where needed.

5.2.5 ESS4 Community Health and Safety

Some of the interventions on existing infrastructures could impact the overall community, where at this stage traffic management and traffic safety are identified as one of the main impacts. Given the urban character of expected sub-projects under Component 1, full partition or fencing off construction sites might not be possible, therefore, signaling will be installed and mitigation measures to control trespasses, excessive noise, and dust levels will be ensured through a robust mitigation and management plan in the Environmental and Social Assessments (ESA) for each sub-project.

Risks to the community stemming from unauthorized access to working sites will be prevented through a set of measures specified in ESAs such as allowing access only to authorized persons with informational and warning signs and fences. Traffic/Road Safety Management Plans with measures to ensure the safety and well being of nearby communities and road users during construction and for the operation phase will be prepared together with the Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events.

The project will include measures to address SH risks.

The principle of universal access will be incorporated into all relevant sub-projects.

5.2.6 ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The envisaged eligible sectors for Investments under Component 1 are transport, energy, solid waste separation, and public spaces. Although project activities will be implemented countrywide, neither the exact location nor specific interventions to be supported are specified at this time. Considering the nature of the project, it can be presumed that the interventions will not cause large land take impacts. Mostly, small-scale impacts for spot widening in urban areas are expected. Furthermore, minor impacts on livelihood are possible (e.g. relocation of formal and informal kiosks or stands).

Resettlement resulting from Project activities is not expected. In order to address the aforementioned risks, the borrower will prepare a Resettlement Policy Framework (RPF) to establish resettlement principles, organizational arrangements, and design criteria to be applied to subprojects, and to mitigate potential resettlement impacts. The RPF shall set out guidance for a detailed socio-economic baseline and a screening procedure to assess the potential scale and scope of the loss of private assets and determine the potential relevance of the ESS5 for each selected sub-project. If the screening procedure determines the ESS5 as relevant, a site-specific Resettlement Action Plan (RAP) will be developed for each respective sub-project. The RPF will provide specific guidance for the preparation of site-specific RAPs. The RFP will be prepared, disclosed, consulted, and cleared by the Bank prior to Project Appraisal.

5.2.7 ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project is not expected to support any significant construction activities that might have negative impacts on biodiversity or living natural resources. In addition, activities are going to be implemented in inhabited areas where biodiversity is anticipated to not be present. However, some areas that are inhabited by humans can also contain biodiversity that is of significant value in particular in peri-urban areas. As such, this ESMF will set forth detailed guidance on how to best assess the potential impacts to natural and sensitive areas, even if those are not under some sort of formal protection.

Furthermore, the ESMF will include provisions on excluding infrastructure that may be located in such environments or that may have impacts on such areas (chapter 7.3.1 Subproject screening).

5.2.8 ESS8 Cultural Heritage

The project will entail construction and reconstruction works along with excavations, demolition, and movement of the earth. The expected civil works, however, will be limited to rehabilitation of infrastructure within its existing footprint (with the possibility of minor expansion that can result in land acquisition). Due to civil works, Chance Find's procedures are included in this ESMF in line with national legal requirements and good international practice. This ESMF will include adequate provisions of this ESS (chapter 7.3.1 Subproject screening).

If any of the possibly proposed infrastructure works could have an impact on cultural heritage, adequate provisions of this ESS will be integrated into the ESMF and site-specific Cultural Heritage plans may be required as part of ESMPs. Otherwise, the ESMF will include provisions on ensuring no cultural heritage is impacted during works.

5.3 General Environmental, Health and Safety (EHS) Guidelines

The EHS Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP). The EHS Guidelines contain the performance levels and measures that are normally acceptable to the World Bank Group, and that are generally considered to be achievable in new facilities at reasonable costs by existing technology.

The World Bank Group requires borrowers/clients to apply the relevant levels or measures of the EHS Guidelines. When host country regulations differ from the levels and measures presented in the EHS Guidelines, projects will be required to achieve whichever is more stringent.

The General EHS Guidelines contain information on cross-cutting environmental, health, and safety issues potentially applicable to all industry sectors and should be used together with the relevant Industry Sector Guideline(s).

5.4 Key ESF objectives compared to national requirements

Table 2. Key ESF objectives compared to national requirements

ESF Objectives	National Laws and Requirements	Gaps	Recommended Actions
ESS1: Assessment and Management of Environmental and Social Risks and Impacts			
• To identify, evaluate and manage the environment and social risks and impacts of the project in a manner consistent with the ESSs. • To adopt a mitigation hierarchy approach to: ○ Anticipate and avoid risks and impacts; ○ Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels; ○ Once risks and impacts have been minimized or reduced, mitigate; and ○ Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible. • To adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities resulting from the project. • To utilize national environmental and social institutions, systems, laws, regulations and procedures in the assessment, development and implementation of projects, whenever appropriate. • To promote improved environmental and social performance, in ways which recognize and enhance Borrower capacity.	Law on EIA Decrees and lists	Public consultations on project design Social impact assessment is not required Small scale activities that may not require activities as per Serbian law but require an ESMP, ESMP Checklist or E&S audit as per Bank ESF Associated facilities are not covered	Stakeholder engagement and public consultations in accordance with the Project Level Stakeholder Engagement Plan (PSEP) and Sub-project specific SEPs Conduct Social Impact Assessment Prepare E&S management instruments in line with the WB ESF and this ESMF
ESS2: Labor and Working Conditions			
• To promote safety and health at work. • To promote the fair treatment, non-discrimination, and equal opportunity of project workers.	Various laws, policies and code of practices are applicable to the implementation of this LMP. These laws and policies are aligned with	Requirement for a Labor Grievance Mechanism to be made available and	Grievance mechanism for project workers shall be established Project activities will require engagement of direct and contracted workers.

ESF Objectives	National Laws and Requirements	Gaps	Recommended Actions
• To protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate. • To prevent the use of all forms of forced labor and child labor. • To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law. • To provide project workers with accessible means to raise workplace concerns.	the international standards, namely ILO Conventions and EU Directives, as the terms, conditions and instruments proposed in the international conventions and directives are incorporated into the Labor Law of Serbia	consultation with workers on OHS related issues. National laws don't acknowledge the responsibility of a Project for, for example, primary supply workers, who would be covered by provisions of the ESS2 in case the project would employ primary suppliers.	Both groups will be subject to the Project LMP and the World Bank Group Environment, Health and Safety Guidelines. Contractors will be required to develop Code of Conducts and SEA/SH Code of Conduct which must be read, understood and signed by all workers. As per the ESS2 the Borrower needs to develop and implement written Labor Management Procedures which set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS.
ESS3: Resource Efficiency and Pollution Prevention and Management			
• To promote the sustainable use of resources, including energy, water and raw materials, as well as other resources • To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities. • To avoid or minimize project-related emissions of short and long-lived climate pollutants. • To avoid or minimize generation of hazardous and non-hazardous waste (where possible waste will be reused and recycled in safe manner; if not possible, waste will be disposed in accordance with relevant procedures) • To minimize and manage the risks and impacts associated with pesticide use.	Law on Environmental Protection Law on integrated environmental pollution prevention and control Law on waters Law on protection and sustainable use of fisheries Law on Plant Protection Products Law on Energy Efficiency Law on Waste Management Basel Convention on Transboundary Movement of Hazardous Wastes and their Disposal Official Journal of FRY, International Treaties, No. 2/99, The Aarhus Convention	Regular monitoring is not required. No request for GIIP adherence.	In addition to national legislation adherence, adopt and implement the WB EHSG and measures as prescribed in this ESMF to achieve the highest of the standards. Cary out regular monitoring of ESAs implementation.
ESS4: Community Health and Safety			
• To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and nonroutine circumstances. • To promote quality and safety, and considerations	Law on planning and construction Decree on health and /safety and OHS at construction sites Law on Roads Law on Road Safety	In substance the gaps between the national requirements and the ESS are not substantial. However, mitigation and prevention measures shall	To be ensured that Project activities do not pose any unintended negative consequences on communities. The Contractors will develop pertaining parts of the plans such as but not limited to:

ESF Objectives	National Laws and Requirements	Gaps	Recommended Actions
relating to climate change, in the design and construction of infrastructure. • To avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials. • To have in place effective measures to address emergency events. • To ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities. • To apply noise prevention and mitigation measures if/when predicted or measured noise impacts from a project facility or operations exceed the applicable noise level guideline;	Rulebook on technical standards for universal access Fire protection act	be required in the form of site-specific Contractor management plans. In case double standards are detected within the ESF and national requirements the more stringent will prevail.	Health and Safety Policy (HSP); Construction H&S Management Plan (OHS, community safety plan, traffic management plan, hazardous materials safety plan, training programme, emergency preparedness and response etc.); H&S training requirements and plan(s); Risk assessments; H&S operational control; Security of the Construction worksites; Traffic Management Plans etc. to address the impacts on local communities of moving construction equipment; measures and actions developed to assess and manage specific risks and impacts outlined in the ESMF and subsequent ESMPs.
ESS5: Land Acquisition Restrictions on Land Use and Involuntary Resettlement			
• To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives. • To avoid forced eviction. • To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement	The Law on Expropriation is the main law guiding the land acquisition by the use of Eminent Domain. Compensation is determined based on the market value	Site specific resettlement instruments, socio-economic surveys, compensation of informal owners and users, monitoring of social performance and requirements to prepare completion reports verifying implementation of the mitigation measures and providing for corrective measures if needed.	ESS5 or the national law, whichever is more favorable to the affected person, prevails.[9]; RPF shall be prepared; RPs shall be prepared and implemented designed to cover any gap; Informal owners compensated; Informal users compensated; Cutt-off date announced; GM established; Adequate monitoring in place; Compensation will be determined based on replacement value
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources			

[9] A detailed gap analysis for ESS5 will be set out in the RPF

ESF Objectives	National Laws and Requirements	Gaps	Recommended Actions
• To protect and conserve biodiversity and habitats. • To apply the mitigation hierarchy and the precautionary approach in the design and implementation of projects that could have an impact on biodiversity. • To promote the sustainable management of living natural resources. • To support livelihoods of local communities, including Indigenous Peoples, and inclusive economic development, through the adoption of practices that integrate conservation needs and development priorities.	Conservation of biodiversity was identified as one of Serbia's priorities for environmental protection in the GoS. The Law on Nature protection ("Official Gazette of RS" 36/2009. 88/2010, 91/2010corr 14/206) governs protection and conservation of nature and biological, geological and landscape diversity as part of the environment.	There are gaps between ESS 6 and national laws with respect to No Net Loss/Net Gain requirements pertinent to Natural and Critical Habitats respectively	The environmental and social screening criteria will screen for the relevant risks and apply mitigation hierarchy. The environmental screening criteria will ensure that no activities with potential significant negative impact are eligible for funding in natural sensitive or critical habitats. Where the activities in modified habitats are considered, the project will incorporate consultations with protected area sponsors, national and local guardian institutions and relevant stakeholders, including local communities, and NGOs. Where necessary, a site-specific biodiversity management plans will be reviewed, updated and/or developed. Various actions will be taken during subprojects preparation and implementation in order to avoid any negative impacts. Preconditions of relevant institutions will be obtained during preparation of site specific ESMP documents and mitigation measures will be prescribed. Project supervision will control implementation of subject requirements
ESS8: Cultural Heritage			
• To protect cultural heritage from the adverse impacts of project activities and support its preservation. • To address cultural heritage as an integral aspect of sustainable development. • To promote meaningful consultation with stakeholders regarding cultural heritage. • To promote the equitable sharing of benefits from the use of cultural heritage.	Cultural property law ("Official Gazette of RoS 71/94, 52/11, 92/11). This Law regulate the system of the protection and use of cultural property and define conditions for the implementation of activities relating to the protection of cultural property.	There are no significant gaps between ESS 8 and national laws	No activities that can impact protected cultural heritage will take place. Chance findings clause will enter all ESAs for sub-projects.
ESS10: Stakeholder Engagement and Information Disclosure			
• To establish a systematic approach to stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties.	The Republic of Serbia citizen engagement commitments do not reside under a single self-standing law or regulation. However, the recognition of importance of citizen engagement is embedded in the	While all acts spell out right to information held by public bodies, the ESS recognizes the importance of open and transparent engagement vis- à-vis	SEP Prepared and implemented Citizen Engagement activities are to be implemented as per developed PSEP (Project level SEP) and subproject level SEPs.

ESF Objectives	National Laws and Requirements	Gaps	Recommended Actions
• To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance. • To promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them. • To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format. • To provide project-affected parties with accessible and inclusive means to raise issues and grievances, and allow Borrowers to respond to and manage such grievances.	legal system and clearly recognized by the mandatory procedures provided by individual laws	project stakeholders by the borrower	

6 POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS, IMPACTS AND MITIGATION MEASURES

The project will support investments that will enhance integrated mobility and resilience of LSGs in a green manner. As a basic definition, **green infrastructure investments protect the natural capital and promotes a smart, inclusive and sustainable growth of cities[10], by enhancing the efficiency of resources use, minimizing environmental impacts and pollution, and being resilient to climate change and natural disasters**[11]. They contribute to climate change mitigation and adaptation, reduce resource consumption by lowering energy use, save costs arising from negative environmental effects and bring health benefits[12]. Through green infrastructure, the cities are designed for people and communities, protecting the health and well – being of citizens and creating stronger communities while improving social cohesion. Although very broad, this definition will be fully applicable to the Project in helping define the types of interventions in public infrastructure.

Furthermore, the European Commission (EC), through its Green Deal and its Green Infrastructure Strategy, seeks the improvement of the well-being of people and promotes the development of Green Infrastructure (GI) at EU, regional, national and local levels to contribute to sustainable growth. The Green Deal is an integral part of the EC's strategy to implement the UN's 2030 Agenda and the sustainable development goals and resets the Commission's commitment to tackling climate and environmental-related challenges. Public investment programs create infrastructure that will shape carbon emissions for decades. Hence, countries should avoid locking in carbon-intensive growth but instead support green initiatives. The EC also adopted the Green Agenda for the Western Balkans, envisaged by the European Green Deal, and the connected Economic and Investment Plan for the Balkans. The Green Agenda for the Western Balkans has five pillars: (1) climate action, including decarbonization, energy and mobility, (2) circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources, (3) biodiversity, aiming to protect and restore the natural wealth of the region, (4) fighting pollution of air, water and soil and (5) sustainable food systems and rural areas. It identifies ten investment flagships to support major road and railway connections in the region, renewable energy and the transition from coal, renovation of public and private buildings to increase the energy efficiency and reduce greenhouse gas emissions, waste and waste water management infrastructure, as well as the roll out of broadband infrastructure.

Green infrastructure plays a key role of the COVID-19 recovery pathway of rebuilding better and the Green Growth, which is an integral part of the World Bank´s agenda. The World Bank defines the Green Growth as "growth that is efficient in its use of natural resources, clean in that it minimizes pollution and environmental impacts, and resilient in that it accounts for natural hazards and the role of environmental management and natural capital in preventing physical disasters". The post-COVID recovery phase offers a unique opportunity to build back a greener economy.

Local Self Governments (LSGs), through greening of mobility infrastructure and increasing resilience, have a key role to play in the pace and sustainability of Serbia's growth. Green infrastructure is also aligned with the WBG's response to COVID-19 pillar 4 "Strengthening policies, institutions and investments for rebuilding better". As per definition, green infrastructure pays special attention to resilience, sustainability and inclusiveness.

Through its basic definition, followed by the aims of the EU Green Deal, or the World Bank's Green Growth, and post-Covid recovery, green infrastructure investments include those that mitigate the impact of climate change and reduce the risks from environmental pollution, are resource – efficient, and support Serbia to take steps toward a

[10] European Commission Environment. https://ec.europa.eu/environment/nature/ecosystems/investing/index_en.htm

[11] Green Growth is defined by the World Bank as "growth that is efficient in its use of natural resources, clean in that it minimizes pollution and environmental impacts, and resilient in that it accounts for natural hazards and the role of environmental management and natural capital in preventing physical disasters"

[12] European Commission Environment. https://ec.europa.eu/environment/nature/ecosystems/investing/index_en.htm

cleaner and low carbon future. These investments should be building and renovating in an energy and resource efficient way and allowing the improvement of performance standards. Important key areas as safety, gender and universal access are intrinsic to green infrastructure, and should be always integrated in projects.

Green infrastructure characteristics
Reduce pollution
Reduce greenhouse gas (GHG) emission
Increase resilience to climate change
Improve safety and inclusiveness

Within this project, green infrastructure investments will be considered in the sector of integrated mobility and resilience. The list of areas of eligible interventions are given in table below.

Table 3. List of eligible intervention areas

Investments	Description	Types of interventions
INTEGRATED MOBILITY (up to **90** percent)	**Promoting balanced share of public space between transport modes**	Roads Bridges Streets Public transport Parking Traffic management Non-motorized transport infrastructure – walking and bicycling Pedestrian areas and public spaces E-Mobility Road safety and street lighting
RESILIENECE (up to **20** percent)	**Supporting minor interventions that will improve overall resilience of LSGs**	Climate adaptation interventions like landslides and river embankment, forestation, historical pollution Minor solid waste interventions - removal and separation – improved collection/bins/cans, increased and facilitated separation and recycling of waste, sanitation of illegal landfills

Integrated mobility

A combination of measures should address emissions, traffic congestion, improved infrastructure for active mobility and public transport. At transport level, green infrastructure aims at minimizing fossil fuel consumption, decarbonizing the urban structure, accelerating the shift to sustainable and smart mobility, and establishing green

transportations systems. In other words, moving towards a zero- emission mobility, while promoting adequate access for all.

This type of infrastructure promotes a more sustainable mobility, and the transition to green and inclusive accessibility. Achieving sustainable transport means putting users first and providing them with more affordable, accessible, healthier and cleaner alternatives to their current mobility habits.[13] New sustainable mobility services that can reduce congestion and noise and air pollution, especially in urban areas. Green transport infrastructure needs to ensure that people can connect safely, cost- effectively, and with the smallest possible footprint.

It includes the necessary infrastructure to promote NMT (walking and biking) and public transport, digitalization of the sector, smart traffic management systems enabled by digitalization, Transport Oriented Developments (TOD), urban logistics, etc.

Deployment of Intelligent Transport System solutions (ITS) aimed at making transport operations more efficient, and reducing CO2 emissions. Wide availability and use of data technologies in public transport systems has the potential to make them smarter, less polluting and customer friendly. In the same line, innovative and smart mobility interventions, can combine different transport modes and options (public transport, car-sharing, car rental services, taxis and public bike-sharing/urban mobility schemes) to cater for mobility needs by using IT. ITS have "been effective in allowing for better traffic flow by providing real-time information, eliminating congestion at toll gates and mitigating environmental impacts by offering differential toll discounts.

Road safety, gender and universal access will be integral part of the projects.

Examples of types of interventions: Rehabilitation of existing roads and streets with resilience and/ NMT considerations, street schemes that increase road safety and promote public transport, NMT infrastructure, parking management, rehabilitation of bridges, multimodal transport solutions that support a modal shift, smart mobility interventions, integration with public spaces and parks, acoustic streets and transport demand management (TDM) interventions as pedestalization of roads and vehicle parking facilitates to disincentivize the use of vehicles in the urban area.

Resilience

The EC Green Agenda for the Western Balkans clearly puts the climate change at the first of its pillars: "climate action, including decarbonization, energy and mobility." Climate change is also implicitly in the World Bank's Green Growth definition: "growth that is efficient in its use of natural resources, clean in that it minimizes pollution and environmental impacts, and resilient in that it accounts for natural hazards and the role of environmental management and natural capital in preventing physical disasters."

The Water Resources Management Strategy until 2034 of the Republic of Serbia (2016) anticipates that significant changes can be expected in the change of intensity and frequency of climatic extremes like extended droughts, extreme precipitation etc. Consequently, the frequency and intensity of high waters and floods are likely to be expected as well. Torrential streams represent a particular hazard to urban areas (an approximate estimate is that there are about 14,000 torrential streams in Serbia) which can cause sudden and extremely destructive flash floods. Uncontrolled deforestation and the resulting soil susceptibility to erosion not only generate favorable conditions for flash flooding but also reduce carbon storage capacities.

Restoration of degraded ecosystems can help reduce vulnerability and increase resilience to climate change. For example, restoring vegetation, can reduce climate extremes by means of soil formation and retention and increasing soil permeability and reducing surface temperatures. Sustainable use of natural resources can be used to prevent

[13] European Commision. 2019. The European Green Deal

extreme events such as floods. It also includes small scale investments in solid waste management, like for example investments in collection bins, including for waste separation, collection vehicles, and recycling efforts. These activities and investments would help to improve the quality of the urban environment, reduce pollution loads, and quality of life of urban residents. Ecological restauration projects may include planting and regeneration of isolating green covers to separate residential built-up areas from industrial buildings or commercial premises or busy traffic corridors and establishing and revitalizing significant residential green areas and renewal of parks, and urban forests.

Resilience also includes improvement of public spaces in a way to create a friendly environment in which people walk or bike, instead of using more polluting modes of transports. Creates spaces for citizens bringing health benefits and are an essential part of life because they provide opportunities for different people – young, old, etc. to experience a variety of human encounters. [14] These types of interventions improve the living conditions of citizens. Some areas in Serbia also bear witness to industrial development where historical pollution remains as an issue to be dealt with. Limited interventions in public sector that help decrease exposure of pollutants, especially of vulnerable groups and that helps improve the overall health and wellbeing of the population will also increase overall resilience of the LSGs.

Examples of types of interventions in the immediate upstream vicinity of and within urban areas: landslide identification, monitoring and stabilization, erosion control, greening and afforestation, structural engineering measures for flash flood control, improving rainfall drainage systems within urban areas, monitoring of hydrometeorological parameters and air pollutants, playgrounds or kindergartens and use of environmentally sound measures or construction materials, etc.

6.1 Environmental Risk Rating

The project will have long-term positive impacts, given its aimed green and sustainable footprint, but there is a number of potential short-term risks and potential adverse impacts that need to be considered, mostly related to infrastructure investments under Component 1. The eligible sub-projects will have to be classified as green per the definition included in the Project Operation Manual.

The type of projects anticipated to be financed are:

Eligible investments	Types of interventions	Types of possible sub-projects
Local **road and street** improvements	Rehabilitation of existing roads and streets, building in climate resilience, street schemes that increase road safety and promote public transport, NMT and parking management	• local roads rehabilitation and upgrade to incorporate bike paths • closure of the local roads
Energy efficiency retrofits and improved heating schemes	Improving distance heating infrastructure and systems, installing energy efficiency measures, supporting renewable sources for public buildings and multi-family residential buildings, and street lighting	• the substitution of old public lighting with EE bulbs • shifting from diesel-run public transport to natural gas or electric
Waste collection schemes	Support to LSGs in the collection, separation, and recycling of waste.	• primary separation of municipal waste

[14] Sangar, V.A. 2007. Human behavior in public spaces. University of New South Wales.

Municipal **public spaces** greening schemes	Providing public green spaces, greening streets, urban regeneration schemes	• transformation to pedestrian zones and green public spaces

There will be no water supply and wastewater-related projects neither sub-projects related to solid waste disposal.

The scope and exact locations of these interventions are yet to be determined, but all works are envisaged to be carried out within the scope of existing infrastructural facilities. In this regard, the potential environmental risks and adverse impacts that could be identified are:

(i) impacts on ground and surface water, soil and air contamination (dust and noise);
(ii) occupational health and safety (OHS) issues and access to work sites;
(iii) improper waste management.

As mentioned, at this stage all works will be undertaken within the existing infrastructural footprint (with the possibility of minor expansion that can result in land acquisition), thus the environmental impacts are expected to be low in magnitude, predictable, and temporary if identified, mitigated, and dealt properly.

However, as project locations are not yet known (e.g. sensitivity and value of habitats), neither the sub-projects, this ESMF has been prepared for the Project as a set of due diligence procedures ensuring compliance to WB Environmental and Social policy, WB EHSG, national legislation and good practices.

Site-specific Environmental and Social Management Plans (ESMPs) will be prepared and will include site-specific impacts and mitigation measures. The ESMPs provisions will be incorporated into the bidding documents and the contractor's contract for each sub-project.

Components 2 and 3 should have no significant environmental impacts as they are focusing on strengthening policies and practices and project management and capacity building.

The project will be implemented through the existing PIU in the Ministry of Construction, Transport, and Infrastructure (MCTI), with the obligation to hire additional environmental and social staff before the start of any works.

The project environmental risk is rated as moderate.

6.2 Social Risk Rating

Considering the nature of the Project, strong citizen and stakeholder engagement for the proposed activities are the key to Project success and, hence, must remain in focus during the entire project implementation period, and especially preparation. Although exact Project activities are not defined at this time, it can be presumed that the interventions will not involve large land acquisition. Mostly small-scale impacts due to spot widening and/or minor impacts on livelihoods (e.g. relocation of formal or informal kiosks or stands) in urban areas are expected. Furthermore, resettlement resulting from Project activities is not anticipated.

ESS2 will apply to direct workers (PIU) and to contracted workers. The employment will most probably be generated at the local level, considering the small scope of civil works under component 1, thus minimizing the risk of labor influx and Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH). SH in particular can be a risk during project construction and operation and therefore the project will include measures to address it.

Acknowledging the urban character of expected sub-projects under Component 1, risks under ESS4 are mainly in relation to the inability for full partition or fencing off construction sites. Moreover, Traffic/Road Safety could be impacted through Project activities. This will be mitigated through community-level awareness efforts.

Key vulnerable groups include retired, elderly, and people with disabilities and chronic disease; single-parent-headed households, male and female; people with low literacy and ICT knowledge; economically marginalized and

disadvantaged groups; persons living below the poverty line; and women. These groups are not likely to be negatively affected by the Project. However, engagement of the poorest, who are usually concentrated in the least served urban areas will be a vital and integral part of the stakeholder engagement approach.

The project social risk is rated as moderate.

6.3 Positive Environmental and Social Impacts

The Project is expected to have overall positive environmental impacts as it should contribute to higher and more sustainable growth as well as improved services delivery by supporting local governments' capacity to build and maintain local infrastructure.

The envisaged eligible sectors are transport, energy, solid waste, and public space. It is expected that eligibility criteria will include aspects like importance for the local community, connectivity to jobs and business, the inclusion of vulnerable and poor, resilience and safety, and environmental footprint, plus will also support environmentally friendly and resilient programs/projects, which could aim to protect resources as well as energy efficiency.

Therefore, LSGs could benefit from economic development, lower costs and time savings, safety, environmental benefits in terms of reduced GHG emissions, and possibly other positive externalities.

Social aspects of infrastructure interventions will be addressed during the preparation stage; therefore, citizen participation component is likely to have a positive social impact. In terms of the construction work to be undertaken, there are also several positive impacts associated with the civil works such as employment of local labor, creation of jobs, and positive economic impacts on small market suppliers for raw materials needed during construction (i.e. building materials).

6.4 Environmental and Social risks during Project Design phase

During the design/preparation/preconstruction phase, the following considerations due to potential negative environmental and social impact of the project have to be taken into account:

- incorporate ESMPs provisions into the bidding documents and the contractor’s contract for each sub-project
- due to possible impacts to landscape and urban areas, include provisions into the bidding documents in terms of subproject design according to local constructing (and cultural) practice (in respect of surrounding architecture)
- due to the fact that Serbia is prone to natural hazards such as floods, droughts, earthquakes and wildfires that can have a significant impact on people and infrastructure, the design of subprojects should include necessary structural measures for adaptation to climate and geophysical hazards considering safety risks to the communities (if applicable).

6.5 Environmental and Social Impacts during Project implementation

Overall, no significant direct negative environmental or social impacts are anticipated.

In the implementation phase, the project will not involve any major civil works, nor design of the major civil engineering structures. Project subcomponents and locations are still not known, but all works are envisaged to be carried out within the scope of existing infrastructural facilities, with the possibility of minor expansion that can result in land acquisition.

The type of anticipated subprojects will be within sectors of transport, energy, solid waste, and public space. Impacts on the environment which will occur during the project implementation are a direct consequence of human presence and machinery, as well as the rehabilitation/construction and other activities related to project implementation at

the location. The environmental impacts of the project are expected to be of manageable, easy to envisage, temporary and of local impact for all activities.

The potential environmental risks and adverse impacts that could be identified are: impacts on ground and surface water, soil and air contamination (dust and noise), flora and fauna; improper waste management; and occupational health and safety (OHS) issues and access to work sites.

6.5.1 Soil pollution

Contamination of soil might be possible from transportation vehicles exhaust and construction vehicles/machines load and exhaust. The following main possible impacts referring to construction activities are following:

- Physical damages to soil;
- Soil degradation;
- Emission of gases, dust, heavy metals from construction machines and transportation vehicles;
- Accidental spills of fuel/chemicals;
- Waste disposal;
- Temporary construction sites and temporary roads.

Soil contamination should be avoided by preventing or controlling vehicle exhaust emissions, waste disposal and release of hazardous materials. Other soil protection measures include:

- Prevention of landslides and erosion by geotechnical inspections and measures;
- Prevention of illegal dumping and littering;
- Developing procedures for prevention and remediation of spills;
- Adequate management of materials.

6.5.2 Surface and ground water pollution

The potential impact/risks of the temporary construction sites to surface and ground water are associated with:

- Discharge of used waters from the construction site (technological and hygienic) into watercourses;
- Discharge of diverse waste products from construction site process and construction site complex (liquids, particles and solid waste) on banks or directly into riverbeds leads to water pollution and pollution spreading along the watercourse;
- Excavations in the field can cause the cutting – opening of aquifers, i.e. disruption of groundwater (water cycle);
- Fine fractions can be washed away during the execution of construction works under influence of material falls from temporary landfills, and will make surface courses turbid;
- Waste material, mechanical oil, fuel etc. can be disseminated by malfunctioning construction machines and vehicles or negligent personnel;
- Location of heavy machines, temporary construction material depots near rivers or surface watercourses.

To prevent discharge to the surface and groundwater, wastewater coming from construction sites should be adequately collected and treated prior to release to the sewerage system or recipient, meeting national discharged water quality requirements (water permit), best industry practices and WB EHSG.

6.5.3 Air pollution

An increased concentration of polluting substances, primarily dust and exhaust gases from vehicles is expected as a consequence of construction works/road rehabilitation. Dust is an almost inevitable consequence of roadwork. Gravel and crushed gravel and hard rock aggregates always contain a proportion of fines, and if the material is dry, a fairly heavy dust cloud be raised when it is mobilized. The resulting dust can disturb both the population and the local environment.

The setting and operation of the site, including the presence of workers, equipment and materials will result in gaseous emissions of which oxides of carbon (Cox), nitrogen (Nox) and sulphur (Sox) as well as aerosols and noise. These can cause a decrease in air quality in the zone of construction works during the works. However, these impacts will be localized, and significant impact on local population is not expected, nor violation of law-allowed concentration of emissions into the air. Thus all impacts are closely related to the location of works, they are temporary with tendency to restore into original condition upon the termination of works.

Prevention and control measures of these emissions sources include:

- Use of dust control methods such as water suppression for open materials storage piles and paved or unpaved surfaces;
- Use of covers for storage piles, if possible;
- Installation of dust screens;
- Cleaning vehicles and dust surfaces;
- Controlled loading and unloading of materials;
- Maintenance and attests of vehicles and machinery;
- Careful planning of routes and optimal loads.

6.5.4 Noise and vibrations

Noise can occur as a consequence of:

- execution of works at the location,
- activity of construction workers and
- movement of vehicles, construction and heavy mechanization.

The following prevention measures can be applied:

- Keep roads in good condition;
- Notify the persons likely to be affected that work is about to start (by delivering information leaflets through letterboxes and/or by posting notices on notice boards);
- Work should be performed within normal working hours as much as possible. Where this is impossible, the persons affected should be given special notification.
- Installing noise fences or similar structures, but these are often impracticable on roadwork sites, particularly for minor works of short duration.
- Use modern equipment wherever possible. Such equipment normally has better noise and vibration attenuation than older machines. Modern machinery also offers other benefits, such as reduced emissions, etc.

Vibration can be caused by uneven road surfaces and can pose significant impacts and problems to houses close to the source. Vibrations disturb people close to roads but they may also cause damage to buildings and sensitive equipment. Vibrations, and also noise, can affect local fauna. Moreover, vibrations can cause damage to geological and archaeological objects.

Reducing the impact of vibration can be achieved by various methods:

- Greater consideration should be given to when the work should be done;
- Notify the persons about the planned roadworks so that they can be informed of their reason and expected duration;
- High vibration sources, such as compaction with heavy vibration rollers or bedrock blasting, should be avoided or minimized in populated areas. Heavy vibrations can cause damage to buildings and installations, which can give rise to damage claims. Methods and equipment that minimize vibrations should therefore be employed.
- Keeping the road in a good and even condition will minimize the amount of vibration.

6.5.5 Waste management

The following types of waste will be generated at the locations of sub-project implementation:

- construction waste (concrete, soil from earthworks, etc.)
- packaging waste (paper, cardboard, plastics, etc.)
- communal waste
- hazardous waste (paints, solvents, oils, etc.).

Potential impacts may arise due to inadequate waste sorting, storage and handling. When the sub-projects are defined, the Environmental Assessment Reports (ESIAs, ESMPs, ESMP Checklists, E&S Audits, etc.) for sub-projects will include provisions on management of all wastes, including management of hazardous wastes. These provisions will be in line with the the Law on Waste Management and WB Environmental, Health and Safety Guidelines (EHSG).

Implementation of waste related mitigation measures and monitoring is an obligation of each Contractor and Sub-Contractor. The ESAs will adopt a hierarchy of waste management in the project activities including prevention, reuse, recycling, refurbishment, and disposal.

The Waste management procedures will strictly follow the requirements of the Law on waste management and the applicable bylaws as well as WB Environmental, Health and Safety Guidelines (EHSG) for Railways and Waste.

For each sub-project the producer of waste i.e. any Contractor shall:

- Develop a site-specific Waste Management Plan and ensure its implementation;
- Obtain a waste testing report and update it in case of technological modifications, changes in the origin of raw materials, other activities that could a change in the waste character, and keep such a report for at least five years;
- Ensure the application of the principle of waste management hierarchy;
- Collect waste separately and classify it in accordance with the national legislation;
- Store waste in a manner that shall not affect human health or the environment, and create conditions to prevent the mixing of different types of waste, as well as mixing of waste with water;
- Hand over waste to an entity authorized for waste management if they are not in a position to organize waste handling in compliance with the Law;
- Keep records on produced, handed over or disposed waste;
- Appoint a person responsible for waste management;
- Enable the competent inspector to inspect sites, facilities, plants and documentation;
- Reuse and dispose/ treat waste in line with the national legislation;
- Set up containers during the execution of works for each of the specific types of waste. Locations are determined within the WMP;
- Ensure waste collected from the construction site is, prior to transport to dumpsites, stored at predetermined and adequate locations;
- Apply adequate testing for classification of waste and separate materials that may be recycled or reused from the remaining waste and adequately stored;
- Waste containing poisonous or potentially hazardous substances will be disposed of in specially marked containers within temporary construction sites ensuring it cannot leak and contaminate soil and water;
- Implement measures to prevent construction, waste, or other materials from the construction site to reach surrounding waterways or drainage channels.

6.5.6 Impacts on nature and biodiversity

The activities planned to be implemented within the Project consider reconstruction and/or rehabilitation of the existing infrastructure and facilities. Therefore, loss of habitat, fragmentation of habitat or significant negative impact on biodiversity is not envisioned.

If a sub-project is proposed within a protected area (or one that may affect critical habitats or protected species), site-specific ESAs will include provisions to identify potential risks from noise, human presence, etc. and implement adequate measures including, but not limited to development of Biodiversity Management Plan, avoidance of breeding/nesting periods for sensitive/protected species, strict control of movement, expert oversight, use of rail track machinery for maintenance.

6.5.7 Impacts on cultural and historic heritage

Sub-projects are planned to be implemented at the existing infrastructure and facilities (reconstruction/rehabilitation). It is not expected that cultural and historic values are located in the zone of works.

If during the works they are found by chance, the obligation is to immediately stop the works and notify the Institute for the Protection of Cultural Monuments of Serbia (IPCM) and take measures to prevent the finding from destruction and damages and to keep it in the position where it was discovered.

6.5.8 Impacts on settlements and population

No significant impact on local population quality of life is envisioned as no major construction is envisioned.

Temporary impact during the reconstruction/construction works through increased noise, vibrations, dust could be experienced.

In the vicinity of the area various possibly sensitive receptors might be identified. The receptors are composed essentially of human population living in houses located throughout the area of site access roads, and next to the ports. Potential impacts from transport will include increased congestion, noise and vibration, reduced access and safety, increased pollutant emissions from truck, exhausts, and inordinate road wear and tear (because of the large size and weight of the trucks), especially on minor roads that constitute the truck route. Poor driving habits by the truck drivers could result in considerable stress if not risk to pedestrians and other vehicles in communities through which the truck route will pass. Access by pedestrians and local vehicles may also be restricted due to the increased truck traffic. Dust, grit and mud may be spilled from the trucks or carried by truck tires and chassis.

Some of the interventions on existing infrastructures could impact the overall community, where at this stage traffic management and traffic safety are identified as one of the main impacts. Given the urban character of expected sub-projects under Component 1, full partition or fencing off construction sites might not be possible, therefore, signaling will be installed and mitigation measures to control trespasses, excessive noise, and dust levels will be ensured through a robust mitigation and management plan in the Environmental and Social Assessments (ESA) for each sub-project.

Risks to the community stemming from unauthorized access to working sites will be prevented through a set of measures specified in ESAs such as allowing access only to authorized persons with informational and warning signs and fences. Traffic/Road Safety Management Plans with measures to ensure the safety and wellbeing of nearby communities and road users during construction and for the operation phase will be prepared together with the Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events.

The project will include measures to address SH risks. The principle of universal access will be incorporated into all relevant sub-projects.

Universal access will be incorporated into the designs for all relevant reconstruction/rehabilitation sub-projects.

6.5.9 Impacts on climate

Sub-projects implementation will have no negative impact on climate. The Project is supporting enhanced greening of infrastructure through low carbon, reduced pollution and/or climate resilient actions. Financed infrastructure works will incorporate climate resilience and will promote adoption of infrastructure and equipment that is more resilient.

6.5.10 Land acquisition, Restriction on land use and involuntary resettlement

Project activities will be implemented countrywide, however neither the exact location nor specific interventions to be supported are specified at this time. Considering the nature of the project, mostly small-scale impacts for spot widening in urban areas are expected. Furthermore, minor impacts on livelihood are possible (e.g. relocation of formal and informal kiosks or stands). Resettlement resulting from Project activities is not expected.

This is an impact that is anticipated in the pre-construction phase, since the expropriation process must be completed before construction works commence.

In order to address the aforementioned risks, a Resettlement Policy Framework (RPF) was prepared to establish resettlement principles, organizational arrangements, and design criteria to be applied to subprojects, and to mitigate potential resettlement impacts. Subproject specific Resettlement Action Plans (RAPs) are also to be prepared for all subprojects that involve expropriation. All further information regarding expropriation issues are to be find in the RPF.

6.5.11 Risks to vulnerable groups

Based on initial screening vulnerable groups, that could be affected by the Project include: retired, elderly and people with disabilities and chronical disease; single parent headed households, male and female; people with low literacy and ICT knowledge; economically marginalized and disadvantaged groups; persons living below the poverty line; women. Since the Project is being implemented across the country the exact numbers of people within detected vulnerable groups is not known at this moment. However, the project outcome will have no negative impact on vulnerable or excluded groups.

The project will take special measures to ensure that disadvantaged and vulnerable groups have equal opportunity to access information, provide feedback, or submit grievances. The engagement of PIU's Social specialist will help to ensure proactive outreach to all population groups. Focus groups dedicated specifically to vulnerable groups will be conducted to gauge their views and concerns. The project will carry out targeted consultations with vulnerable groups to understand concerns/needs in terms of accessing information, facilities and services supported by the project and other challenges they face at home, at work places and in their communities. In addition to the above, vulnerable PAPs will be given priority of employment on the project if possible.

The environmental and social screening questionnaire (Chapter 7.3.1) provides a framework for vulnerability detection with regards to land acquisition.

Project Stakeholder Engagement Plan (SEP) will be prepared to identify vulnerable groups and provide tailored mitigation measures.

6.5.12 Gender risks

There is low risk associated with the Project and in the Country in relation to Sexual exploitation, Abuse (SEA) and Sexual Harassment yet promotion of avoidance of SEA relying on the WHO Code of Ethics and Professional Conduct for all workers and provision of gender sensitive infrastructure and segregate toilets shall be imposed to the Contractors through the tender specific mitigation instruments to be incorporated into the tender documents. Although, SEA/SH risk for this project is assessed as low (expected local employment and no labor influx), Contractors will be required to develop Code of Conducts and SEA/SH Code of Conduct which must be read, understood and signed and signed by all workers.

6.5.13 Occupational health and safety risks

Physical hazards represent potential for accident or injury or illness due to repetitive exposure to mechanical action or work activity. They may occur from: moving equipment at the construction site; exposure to noise, vibrations and faulty electrical devices; working with chemicals, welding and hot work; working at heights; etc.

In accordance with the Law on Health and Safety at Work ("Official Gazette of RS", no. 101/2005, 91/2015, 113/2017), measures of /protection at work need to be envisaged to prevent hazards that may occur during the construction. The prevention of hazards during the execution of works requires engaging an organization to implement the works registered for the type of activity subject to the technical documentation hereof. The organization must have a person at the construction site authorized to manage works, having passed the professional examination and in compliance with other conditions as per the Law on Planning and Construction. The authorized person and all other persons involved in the execution of works shall adhere to the regulations, standards and norms for the type of activity they engage in, as well as the Law on Health and Safety at Work.

The MCTI/PIU shall provide expert supervision over the execution of works. Prior to the commencement of works the precise position of all installations must be determined and all measures undertaken to avoid damages, as well as injury to workers and other persons located at the construction site. The contractor shall produce a Report on the Organization of the Construction Site, a site-specific operation and plan, produced as separate documentation based on the Construction or Design for Execution. The Report on the Organization of the Construction Site must be dully executed. Such report shall be provided by the contractor (manager of works) and certified by the representative of the MCTI/PIU or the supervision service, and thereafter the works may commence. The Report on the Organization of the Construction Site contains three sections:

- Situation plan (schematic view of the construction site);
- Description of works;
- Health and safety measures at work.

The employer, or employer's representative, has to ensure that, prior to commencement of work, a Plan of preventive health and safety measures is prepared and implemented.

Measures of protection at work, as per the Rulebook on the content of the report and organization of the construction site ("Official Gazette of RS" no. 121/2012), encompass:

- Measures to eliminate, mitigate or prevent risks regarding works implemented at the construction site;
- Method of organizing the provision of first aid at the site, rescue and evacuation in case of danger;
- Measures to eliminate, mitigate or prevent risk in the use of explosives (unloading, storage, loading, transport, disposal at the place of use and use of explosives), as well as undertaking measures, if the presence of hazardous objects is established (unexploded devices), and/or substances and measures for the professional removal;
- Measures to eliminate, mitigate or prevent risk during prefab construction, encompassing unloading, storage, setting into the lifting position, lifting of elements, setting into the designed position and securing from falling over or falling in the raised position;
- Measures for the protection of employees from vehicles and measures for the unfettered operation of traffic, when a public road passes through the construction site area.

The contractor may only start work when the construction site is established and organized as per the provisions of the Rulebook on safety at work during the implementation of construction works (Official Gazette of RS no. 53/97).

As per WB ESS2 on labor and working conditions, it will apply to (i) direct workers hired to implement the project (PIU) and to (ii) contracted workers engaged by the contractors and sub-contractors. The project will not engage community workers.

OHS procedures in Serbia are in line with ILO conventions, with clearly defined procedures and responsibilities as well as implementation control. It will be assessed during project preparation if primary supply workers, as per ESS2 definition, would be engaged. The ESMF includes Labor-Management Procedures (LMP) and sections on Environment Health and Safety (EHS) which set out the way OHS issues will be managed in accordance with the requirements of national law and ESS2.

Direct workers will be hired on a consultancy basis whereby no objection from the Bank team will be obtained for each position. The most important aspect of the implementation of the ESS2 will be ensuring contracted companies apply the respective provisions determined in the Labor-Management Procedures (LMP). Given the expected small-

scale nature of the works, the employment will most probably be generated at the local level, thus minimizing the risk of labor influx and the expectancy of workers from outside of the region. The project is unlikely to encounter SEA issues, but SH is possible during construction and operation and thus the LMP will include measures to address such risks. Since labor-related laws in Serbia comply with ILO conventions and are most regularly enforced, the LMP, acceptable to the Bank, will be prepared, reviewed, approved, and disclosed prior to the appraisal. The procedures will propose how to overcome gaps between the legal framework of Serbia and the ESS2 requirements based on specific works that will be conducted under the Project. The LMP will be a part of tendering documents making them binding for the contractor. Provisions for establishing a GRM for the employees will be a part of the LMP.

6.5.14 Fire protection and accident response

In accordance with the Law on Fire Protection ("Official Gazette of RS" no. 111/09 and 20/15) installation must be checked at least twice a year by the authorized legal person (by the Ministry), in accordance with technical regulations and the manufacturer's instructions for periodic monitoring. Records on completed tests shall be maintained which shall contain information on performing verification and issue expert finding. Employees who carry out checks must have passed the certification exam. All employees at the site will be trained in procedures and use of fire protection equipment as well as fire prevention.

Emergency preparedness and response plan for both during the construction and operational stages, will be integrated to all ESAs.

6.5.15 COVID -19 related OHS, Labor and Community Health and Safety risks

Considering the COVID19 pandemic, increased incidence of communicable and vector-borne diseases attributable to construction activities represents a potentially serious health threat to project personnel and residents of local communities. The Ministry of Labor, Employment, Veterans and Social Affairs (MLEVSA) has recently issued the Rulebook on Preventive Measures for Safe and Healthy Work and Control and Prevention of Epidemic[15]. The Rulebook specifies the obligations of both employers and employees and lists the activities that must be carried out to prevent epidemic from spreading and ensure safe and healthy work environment. In addition, employers must prepare the plan for implementation of measures for prevention and control of epidemic, which has to be part of the act of assessment of the risks at workplaces. An example of this plan can be downloaded from the site of the MLEVSA[16]. These procedures reinforce the commitment of all the participants in the Project to comply with prescribed obligations and implement all required measures.

To address possible impacts, each subproject should put in place measures to minimize the chances and contain the spread of the virus as a result of the movement of workers, ensure their sites are prepared for an outbreak, and develop and practice contingency plans so that personnel know what to do if an outbreak occurs and how treatment will be provided. These preparation measures should be communicated not only to the workforce but also the local community, to reassure them that the movement of staff is controlled, and to ensure that stigma or discrimination is reduced in the event of an outbreak.

The World Bank has prepared an Interim Guidance Note on COVID19 considerations in construction/civil works. The note provides guidance on what preparations and arrangements should be considered. In most cases the changes are expected to be covered by the terms of the existing works contract. In some cases, if the measures involve a significant cost increase, there may be a need for an amendment to a contract annex.

[15] https://www.minrzs.gov.rs/sites/default/files/2020-07/94-20%20PRAVILNIK%20ZARAZNE%20BOLESTI-converted.pdf
[16] https://www.minrzs.gov.rs/sites/default/files/2020-07/plan%20primene%20mera%20%281%29.pdf

Movement of staff can increase the risk of transmission of COVID19 to a work site and the local community. Workers coming from or passing through countries/regions with cases of the virus i) should not return if displaying symptoms, ii) should self-isolate for 14 days following their return.

Appropriate self-isolation arrangements must be provided to infected workers:

- single, well ventilated room, or if not possible adequate space where 2m distance can be provided for more people, separated by a curtain;
- a dedicated bathroom;
- workers in isolation should limit their movements in areas which are also used by unaffected workers;
- the number of staff involved in caring for those in isolation, including providing food and water, should be kept to a minimum and appropriate PPE should be used by those staff;
- isolation areas should be cleaned daily and healthcare professionals should visit workers in the isolation areas daily, at minimum; cleaners and healthcare professionals should wear appropriate PPE (see below) and ensure good hygiene when visiting workers in isolation;
- visitors should not be allowed until the worker has shown no signs and symptoms for 14 days.

Outbreak preparedness:

Medical staff at the facilities should be trained and be kept up to date on WHO advice17 and recommendations on the specifics of COVID19. They should take stock of the equipment and medicines that are present on site and ensure that there are good supplies of any necessary treatments, including paracetamol/acetaminophen and ibrobufen.

Ensure medical facilities are stocked with adequate supplies of medical PPE, as a minimum:

- Gowns, aprons
- Medical masks and some respirators (N95 or FFP2)
- Gloves
- Eye protection (goggles or face screens).

Cleaners also need to be provided with PPE and disinfectant. Minimum PPE to be used when cleaning areas that have been or suspected to have been contaminated with COVID19 is:

- Gowns, aprons
- Medical masks
- Gloves
- Eye protection (goggles or face screens)
- Boots or closed work shoes.

Cleaners should be trained in how to safely put on and use PPE by medical staff, in necessary hygiene (including hand washing) prior to, during and post cleaning duties, and in waste control (including for used PPE and cleaning materials).

The medical staff/management should run awareness campaigns, training and arrange for appropriate posters, signs and advisory notices to be posted on site to advise workers on how to minimize the spread of the disease, including:

- to self-isolate if they feel ill or think they may have had contact with the virus, and to alert medical staff;
- to regularly wash hands thoroughly with soap and water – many times per day;
- how to avoid disease spread when coughing/sneezing (cough sneeze in crook of elbow or in a tissue that is immediately thrown away), and not to spit;

[17] https://www.who.int/emergencies/diseases/novel-coronavirus-2019/technical-guidance

- to keep at least 2m or more away from colleagues (if possible. In case the workstream requires imminent closeness, additional PPP shall be used in line with latest WHO and national guidelines;

Hand washing stations should be set up at key places throughout site, including at entrances/exits to work areas, wherever there is a toilet, canteen/food and drinking water, or sleeping accommodation, at waste stations, at stores and at communal facilities. Each should have a supply of clean water, liquid soap and paper towels (for hand drying), with a waste bin (for used paper towels) that is regularly emptied and taken to an approved waste facility (not just dumped).

Where wash stations cannot be provided (for example at remote locations), alcohol-based hand rub should be provided.

Enhanced daily cleaning arrangements should be put in place, to include regular and deep cleaning using disinfectant of catering facilities/canteens/food/drink facilities, latrines/toilets/showers, communal areas, including door handles, floors and all surfaces that are touched regularly (ensure cleaning staff have adequate PPE when cleaning consultation rooms and facilities used to treat infected patients). Medical staff should review and advise on the necessary cleaning arrangements, especially in areas used for isolation or treatment.

Worker accommodation that meets or exceeds IFC/EBRD worker accommodation requirements (e.g. in terms of floor type, proximity/no of workers, no 'hot bedding', drinking water, washing, bathroom facilities etc.) will be in good state for keeping hygienic, and for cleaning to minimize spread of infection.

Working methods should be reviewed and changed as necessary to reduce use of PPE in case supplies of PPE become scarce or hard to obtain. For example, water sprinkling systems at crushers and stockpiles should be in good working order, trucks covered, water suppression on site increased and speed limits on haul roads lowered to reduce the need for respiratory (N95) dust masks.

Contingency plan

At each subproject site, the contingency plan should be developed to set out the procedures that must be followed in the event of COVID19 reaching the site. The contingency plan should be developed in consultation with national and local healthcare facilities, to ensure that arrangements are in place for the effective containment, care and treatment of workers who have contracted COVID19. The contingency plan should also consider the response if a significant number of the workforce become ill, when it is likely that access to and from a site will be restricted to avoid spread.

Contingencies should be developed and communicated to the workforce for:

- Isolation and testing procedures for workers (and those they have been in contact with) that display symptoms;
- Care and treatment of workers, including where and how this will be provided;
- Getting adequate supplies of water, food, medical supplies, and cleaning equipment in the event of an outbreak on site, especially should access to the site become restricted or movements of supplies limited.
- Specifically, the plan should set out what will be done if someone may become ill with COVID19 at a worksite. The plan should:
    - Set out arrangements for putting the person in a room or area where they are isolated from others in the workplace, limiting the number of people who have contact with the person and contacting the local health authorities;
    - Consider how to identify persons who may be at risk (e.g. due to a pre-existing condition such as diabetes, heart and lung disease, or as a result of older age), and support them, without inviting stigma and discrimination into your workplace; and
    - Consider contingency and business continuity arrangements if there is an outbreak in a neighbouring community.

Contingency plans should also consider arrangements for the storage and disposal of medical waste, which may increase in volume and which can remain infectious for several days (depending upon the material).

When communicating to the workforce, their roles and responsibilities should be outlined clearly, and the importance for their colleagues, the local communities, and their families that the workers follow the plans should be stressed. Workers may need to be reassured that they there will be no retaliation or discrimination if they self-isolate because of feeling ill, and also with respect to the compensation or insurance arrangements that are in place.

The above mitigation and prevention measures will be contractually enforced by introducing ESF sensitive considerations into the standard bidding documents, though particular conditions, which will include several relevant requirements on the Contractor, including:

- to provide health and safety training for Contractor's Personnel (which include project workers and all personnel that the Contractor uses on site, including staff and other employees of the Contractor and Subcontractors and any other personnel assisting the Contractor in carrying out project activities)
- to put in place workplace processes for Contractor's Personnel to report work situations that are not safe or healthy
- gives Contractor's Personnel the right to report work situations which they believe are not safe or healthy, and to remove themselves from a work situation which they have a reasonable justification to believe presents an imminent and serious danger to their life or health (with no reprisal for reporting or removing themselves)
- requires measures to be in place to avoid or minimize the spread of diseases including measures to avoid or minimize the transmission of communicable diseases that may be associated with the influx of temporary or permanent contract-related labor
- to provide an easily accessible grievance mechanism to raise workplace concerns including unsafe workplace conditions.

The Contractor will also be required to regularly check updates of the WHO[18].

6.5.16Cumulative impacts

As most of the works will take place on existing infrastructure and facilities, and only small-scale reconstruction/rehabilitation will be supported through the project, significant cumulative impacts are not expected.

6.6 Risks in the operational phase

Exact subproject activities are not defined at this time. Therefore, risks in the operational phase will be defined in site specific ESAs when the activities of each subproject are known. Expected possible risks may include:

Traffic/road safety could be impacted through subproject activities. In case that subproject activities will be caried out near inhabited or traffic intensive areas, traffic management plans will be prepared in site-specific ESAs with specific measures that ensure safety of all traffic participants in the operational phase. Plans with measures to ensure the safety and wellbeing of nearby communities and road users during the operation phase will be prepared together with the emergency response plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events. The measures can include:

- providing safe corridors and crossings for pedestrian movement,

[18] novel-coronavirus-2019/advice-for-public, water-sanitation-hygiene-and-waste-management-for-covid-19, infection-prevention-and-control-during-health-care-when-novel-coronavirus-(ncov)-infection-is-suspected-20200125, WHO-2019-nCoV-IPCPPE_use-2020.2-eng.pdf

- installation of safety systems (sound and visual warnings),
- introducing resting areas,
- adjusting subproject working hours in accordance to needs of local population, specifically for sensitive sites like those near schools, hospitals, religious places, etc.

Traffic management plans will be coordinated with the municipalities as well as competent authorities (traffic police). Traffic/road safety will also be mitigated through community-level awareness efforts.

Improper solid waste collection and management may pose a threat to soil and water quality. Following measures must be considered:

- Set up proper waste management procedures, including separation of waste into oily and hazardous waste, regular municipal and green waste which can be composted
- Ensure sufficient waste collection bins are available on site and that regular collection of wastes is ensured
- Isolate the space of collection been and ensure frequent sanitation from authorized entities.

Also, unproper management of hazardous materials could result in leaks and spills and pollution of the surface and ground water. Proposed measures are:

- Have in place leak control action plan
- Provide leak proof bins for collection of oily wastes or equipment which can drip oil
- Ensure waste is adequately managed.

Sexual harassment is possible during construction and operation and thus the LMP includes measures to address such risks. Since labor-related laws in Serbia comply with ILO conventions and are most regularly enforced, the LMP, acceptable to the Bank, will be prepared, reviewed, approved, and disclosed prior to the appraisal. The procedures will propose how to overcome gaps between the legal framework of Serbia and the ESS2 requirements based on specific works that will be conducted under the Project. The LMP will be a part of tendering documents making them binding for the contractor.

6.7 Overview of general protection measures during reconstruction/rehabilitation of infrastructure and facilities

The provided overview of measures is informative only and the final set of mandatory mitigation measures will be defined in the site specific Environmental and Social Assessment (ESA) and ESA reports (ESIA, ESMP, ESMP Checklists, E&S Audits) for a particular sub-project or activity.

Table 4. Summary of key potential impacts of construction/reconstruction and proposed mitigation measures

IMPACT	PROPOSED MEASURE
Soil, surface and ground water pollution	• Adequately solve drainage of stormwater and other surface waters to prevent soil, surface and ground water pollution. • Waste oil is to be disposed of in closed containers. If waste oil is not transported away immediately upon replacement, provide such space for temporary storage of containers providing for avoidance of leakage to surrounding areas (secondary containment). Containers/oil will be disposed/processed at approved and licensed disposal sites • The procedure of oil replacement on machinery should be implemented on surfaces planned for this and by laying protective beds underneath points of potential leakage. • Vehicle maintenance at the construction site is prohibited. Vehicles are to be maintained only in the designated workshops. • Define a space for temporary disposal of contaminated soil (if occurs), as well as conditions for disposal in order to avoid soil pollution. Final disposal should only be in a licenced facility. • The entry of vehicles into waterways during construction is prohibited. If it is necessary to cross waterways in machinery at certain construction points, the construction of temporary adequate

	crossings at such points are mandatory, in order to avoid direct contact of machinery with the waterway.
Air pollution	• Use and apply control equipment to prevent air pollution. • No idling of machinery on site. • Do not use outdated or non-operational equipment.
Emissions of dust, noise and vibration	• Periodic wetting of materials and terrain during construction. • The contractor shall cover trucks during transport. • Install protection on machinery and construction equipment. • Limit working hours (e.g. until 6-7 PM) in settlements. • Prohibit the operation of machinery in neutral shift. • Application of mobile noise protection structures. • Temporary construction sites and vehicle parking are to be set up as far as possible from settlements. • Screen grievance log for dust, noise, and vibration related grievances.
Waste management	• Set containers at official points for communal, recyclable and hazardous waste. • Provide regular collection of different waste streams by PUC authorized companies. • No open burning on site. • Ensure that there is no long-term storage of waste materials on site.
Excavation of Removal non-contaminated and disposing of excess earth	The Final Design must define locations for earth borrow pits, as well as locations for disposing of excess non contaminated soil. The locations and the Final Design should also include measures that would ensure the disposal sites are adequately restored.
Movement of heavy machinery and vehicles with materials and equipment along existing roads	• Bypass roads for vehicles used in construction to improve travel times along existing roadways. • Secure priority roadways and transport lanes for bringing materials and equipment in and out.
Potential transmission of communicable diseases to the local population	Secure regular medical check-ups for workers and their treatment.
Excavation works may uncover archaeological or other significant findings	Stop all works on site in case of chance finding and notify responsible authorities.
Works done on site may damage or permanently remove vegetation	• Ensure no damage to vegetation occurs on site. • In case of unavoidable damage, re-plant same species on site. • Ensure visually the same appearance as before works started.
Community Health and Safety	• Signalling will be installed and mitigation measures to control trespasses, excessive noise, and dust levels will be ensured through a robust mitigation and management plan in the Environmental and Social Assessments (ESA) for each sub-project. • Risks to the community stemming from unauthorized access to working sites will be prevented through a set of measures specified in ESAs such as allowing access only to authorized persons with informational and warning signs and fences. • Traffic/Road Safety Management Plans with measures to ensure the safety and well being of nearby communities and road users during construction and for the operation phase will be prepared together with the Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events. • The project will include measures to address SH risks. • The principle of universal access will be incorporated into all relevant sub-projects.
Involuntary resettlement	• RPF was prepared in line with the Law on expropriation and WB ESS5. • If the screening procedure determines the ESS5 as relevant, a site-specific Resettlement Action Plan (RAP) will be developed for each respective sub-project.

7 ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

7.1 Risk classification according to the WB

The World Bank classifies all projects in one of the four following groups, namely projects with:

- High Risk
- Substantial Risk
- Moderate Risk
- Low Risk.

To determine appropriate risk classification, the following issues are and will be taken into account:

- Type, location, sensitivity and scope of the project,
- Nature and magnitude of potential environmental and social risks and impacts, as well as
- Borrower's (including any other agency responsible of project implementation) capacity and commitment to manage environmental and social risks and impacts in the manner consistent with ESSs.
- Other areas of risk that may be relevant to delivery of the ES mitigation measures and outcomes.

Other areas of risk can be also relevant for implementation of measures, as well as for results of environmental and social impacts mitigation measures, depending on specific project and context. These can include legal and institutional framework and its implementation and supervision strength, nature of mitigation and the proposed technology, managerial structures and legislation, as well as considerations related to stability, conflict or security.

The overall Environmental and Social Risk Classification of the Project is classified as " moderate" by the WB. As such, this Project cannot finance activities that have their individual risk rating higher than Moderate.

Each activity to be funded under the Project (yet to be identified) will be screened against the eligibility criteria and requirements of the ESF Policy by using the information of Environmental and Social Screening Questionnaire provided in Chapter 7.3.1.

As the Project will involve several smaller sub-projects, the World Bank requirements involve mandatory review of adequacy of local environmental and social requirements relevant for the sub-projects, as well as assessment of the Borrower's capacity to manage the environmental and social risks and impacts of such sub-projects, particularly, Borrower's capacity to

- perform sub-projects environmental and social screening;
- ensure necessary expertise for conducting environmental and social assessment;
- review findings of environmental and social assessment for individual sub-projects;
- implement mitigation measures; and
- monitor environmental and social impact during project implementation. If necessary, the project may envisage measures to strengthen Borrower's capacities.

The Borrower is obliged to carry out appropriate environmental and social assessment of sub-projects and prepare and implement such sub-projects as following:

- High-risk and substantial risk sub-projects in compliance with ESSs[19];

[19] Not to be financed under the LIID project.

- Moderate and low-risk sub-projects, in compliance with local legislation and requirements of ESSs which the Bank finds relevant for such sub-projects.

In case that risk ranking of certain project is increased, the Borrower is obliged to apply relevant ESSs requirements as agreed with the Bank.

If Associated Facilities are recognized, the World Bank Environmental and Social Policy for Investment Project Financing also requires the application of the ESSs to these facilities. Associated Facilities will meet the requirements of the ESSs, to the extent that the Borrower has control or influence over such Associated Facilities.

7.2 Assessment and Management of Environmental and Social Risks and Impacts

To address the potential risks and impacts of the LIID project, the following risk management instruments have been developed:

- This Environmental and Social Management Framework (ESMF)
- Project Level Stakeholder Engagement Plan (PSEP)
- Labor Management Procedures (LMP)
- Resettlement Policy Framework (RPF).

This ESMF provides checklists helping to determine the activity risk level and defines where and when site specific Environment and Social Impact Assessments (ESIAs), Management Plans (ESMPs) or ESMP Checklist are required to be developed in line with the ESSs, World Bank Group General EHS guidelines as well as national legislation.

7.3 Environmental and Social Assessment / Screening, Review and Approval

As required by the WB, appropriate environmental and social assessment of all subprojects has to be implemented, in accordance with national legislation and relevant requirements of the ESSs. Each subproject and its activities must undergo environmental and social assessment compliant to this ESMF, and consequently the ESF integrating stakeholder engagement activities including consultation and feedback.

Responsibility lies with the MCTI/PIU who will ensure that environmental and social management is an integral part of subproject planning, design, implementation, operation and maintenance. The MCTI/PIU will screen, monitor and report on the environmental and social performance, national legislation and ESF compliance under each subproject to ensure efficient application of measures as defined in site-specific management instruments including ESMF.

The Environmental and Social assessment will follow the 5 step process to identify risks associated with specific subprojects, screen out any high-risk activity, identify potential impacts and define measures aimed to prevent or minimize negative impacts and determine the type of management instrument required to meet the project standards:

I. Subproject screening and risk classification
II. Subproject preparation
III. Preparation and disclosure of ESIA, ESMP, ESMP checklist and public consultations
IV. Integration of ESMP and ESMP checklist in tender documents
V. Implementation, project supervision, monitoring and reporting.

7.3.1 Subproject screening and risk classification (Step 1)

For the initial screening of each subproject, the Environmental and Social Screening Questionnaire have been developed. It shall be completed by the MCTI/PIUs Environmental Specialist and Social Specialist, and submitted by the MCTI/PIU along with the E&S Screening report to the WB together with the proposed decision on the category of the subproject/activity. The World Bank team will retain oversight over the process for the duration of the project implementation.

The Environmental and Social Screening Questionnaire comprises four parts:

1) Administrative and institutional data: includes a narrative part that characterizes the project, including administrative and institutional data, and a brief description of technical contents of the project, as well as the location of the subproject. This part can contain up to two pages of text. Annexes for all additional information can be supplemented if necessary.
2) Project eligibility criteria: includes questions that should assist in determining whether the project in question is eligible for funding.
3) Basic information on proposed subproject, and
4) Project information relevant for impacts and risks: includes a series of questions on potential adverse environmental and social impacts covering all ESS 1-10, with two possible answers: "yes" or "no".

Template of the Environmental Screening Questionnaire is given in the following table:

Name of the Project / subproject:		
Basic information on proposed project and activities (please describe main features)		
Project IF ID:		
Location of the subproject/activity:		
Contact email address of responsible person at the location for providing relevant information:		
PROJECT ELIGIBILITY CRITERIA	YES	NO
Does the proposed activity require a FULL Environmental Impact Assessment as per the Serbian Law on Environmental Impact Assessment (list of Projects for which full EIA is mandatory/decided)? (EIA Requirement per se does not classify the activity as high risk)		
Does the existing enterprise need to follow specific Serbian environmental regulations regarding air emissions, water use or wastewater discharge and solid waste management?		
Does the existing enterprise take care about associated facilities (if applicable) relevant environmental and social performance? If possible, explain the answer		
Are serious adverse cumulative or transboundary impacts:		
H: Expected?		

S: Expected, but less severe and more readily avoided or mitigated?		
M: Not expected? Project impact is site-specific, unlikely to go beyond project footprint?		
L: Minimal or negligible?		
Is the area likely to be affected?		
H: Sensitive and valuable ecosystems and habitats? Legally protected and internationally recognized high biodiversity value areas? Lands or rights IP or other vulnerable minorities? Intensive or complex resettlement? Impacts on cultural heritage? Densely populated urban areas? History of unrest in Project areas or sector? Significant concerns regarding the activities of security forces? Recognized as a regional or national cultural heritage?		
S: Issues such as above are relevant but to a lower extent?		
M: Located away from environmentally or socially sensitive areas		
Reversibility of Project risk and impacts. Are the Project social and environmental risk and impacts:		
H: Long-term, permanent, and irreversible?		
S: Mostly temporary, predictable and/or reversible?		
M: Predictable and expected to be temporary and/or reversible?		
L: Minimal or negligible?		
CRITERIA		
Will the activity consume, use or store, produce hazardous materials that are outlawed or banned in EU?		
Has the local population or any NGOs expressed concern about the proposed activity's environmental aspects or expressed opposition?		
Is there any other aspect of the activity that would – through normal operations or under special conditions – cause a risk or have an impact on the environment, the population or could be considered as a nuisance?		

Template of the Social Screening Questionnaire is given in the following table:

SOCIAL SCREENING FORM AND TRIGGERS FOR SUBCOMPONENTS		
Screening indicators related to Land acquisition, assets and access to resources		
	YES	NO
What is the scale of the geographical area or population adversely affected by the Project?:		
H: Large to very large?		
S: Medium to large?		

M: Low? Located away from environmentally or socially sensitive areas? L: Minimal or negligible?		
Does the Project implementation require land (private) to be acquired (temporarily or permanently)? If yes specify area.		
Does the Project implementation envisage the use of land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)? If yes indicate current land use		
Specify the number of persons affected by economic displacement? (if not known at this stage please provide the best estimate and explain what the estimation is based on)		
Does the subproject require physical displacement of individuals, families or businesses? Specify the number of persons affected by economic displacement? (if not known at this stage please provide the best estimate and explain what the estimation is based on)		
Will the subproject implementation result in the temporary or permanent loss of crops, fruit trees or household infrastructure? (if not known at this stage please provide the best estimate and explain what the estimation is based on)		
Will the subproject implementation result in the involuntary restriction of access by people to legally designated parks and protected areas?		
Will the subproject implementation have negative impact to any vulnerable individuals or groups? (Please specify what the drivers of vulnerability are, how would these be adversely impacted, or the vulnerability exacerbated? Specify or estimate the number of persons /groups and their qualifying characteristics.		
Will the subproject implementation have negative impact to informal side road shops, traders or any nomadic type of commercial activity		
Community Health and Safety. What is the probability of subproject impacts to human health and/or the environment (due to accidents, toxic waste disposal, etc.): H: High? S: Medium to low? M: Low? L: Minimal or negligible?		
Scale of risks and impacts. What is the scale of the geographical area or population affected by the Project? H: Large to very large		

S: Medium to large		
M: Low		
L: Minimal or negligible		

Form checked by PIU Environmental Specialist and Social Specialist	
Project category: H S M L	
Date	
Name	
Title	
Signature	

Form checked by Head of PIU	
Project category: H S M L	
Date	
Name	
Title	
Signature	

ELIGIBILITY CRITERIA

High and substantial-risk projects, as defined in the WB E&S Policies will not be eligible for financing, including:

- Construction of substantial new railway lines (new routes);
- Construction of small new lines such as bypasses, connections, and similar in sensitive and valuable natural areas, those causing fragmentation of habitats;
- Other causing significant adverse impact to sensitive and valuable natural areas.

After reviewing the ESSQ, the screening will result in the project being classified in one of the following categories:

Category	Risk level	Decision
1	Low Risk – negligible environmental and social impacts/ environmental impact assessment not needed)	Eligible for financing. No additional environmental and social assessment needed.
2	Moderate Risk – environmental and social impacts are expected to be manageable, easy to envisage, temporary and local	Eligible for financing. The MCTI/PIU is responsible to develop ESMP checklist or ESMP. Consultations are mandatory.
3	Substantial risk – possible significant and adverse impacts to human health and the environment can be expected, but the magnitude of impacts cannot be determined in the project identification phase	Not eligible for financing.
4	High Risk – expected to have highly significant, diverse and/or long-term adverse impacts to human health and the environment. It can be expected that magnitudes of these impacts are such that they may also affect an area broader that the subproject sites. Measures for mitigating such environmental impacts could be complex and costly.	Not eligible for financing.
5	Ongoing and/or completed works, including financing of works' continuation	This also is subject to risk rating. Risk category and eligibility for financing will be determined based on Environmental and Social audit that needs to be undertaken.

The graphic overview of the subproject ESA process is provided in Figure 1.

7.3.2 Subproject preparation (Step 2)

The MCTI/PIU prepares necessary documentation for subproject implementation, including technical documentation (this shall include climate-sensitive design solutions, capacity building, and installation of preventive systems) for the subproject to be financed, technical description of the subproject, permits and approvals issued by competent bodies related to the implementation of the subproject as well as the time schedule of works.

7.3.3 Preparation and Disclosure of the ESIA, ESMP and ESMP Checklist and Public Consultations (Step 3)

Based on the screening processes and findings, the site specific ESMP, or the ESMP Checklist (for "Moderate Risk" subprojects), based on the subproject description and volume (i.e. ESMP checklist for rehabilitation; ESMP for construction measures) are to be prepared for each individual subproject prior to bidding procedures, by environmental specialist and public communications, social and citizen engagement specialist in MCTI/PIU, and shall be subject to review and approval of the WB. For more complex sub-projects which are likely to impose significant environmental and social impacts, an Environmental and Social Management Plan (ESMP) will be prepared with aim to identify, evaluate, and prevent potential environmental and social risks and impacts. The mitigation measures for identified impacts and risks will be incorporated into the ESMP. The purpose of the ESMP is to predict potential effects and improve the environmental and social aspects of subprojects by minimizing, mitigating, or compensating for negative effects. Simpler Environmental and Social Management Plan Checklists will be used for subprojects that are unlikely to cause significant environmental and social impacts and that are typical for small scale construction and refurbishing/repurposing/rehabilitation investments.

The ESIA shall be prepared by external Consultants that are to be hired under the Project using the sample Terms of Reference for ESIA preparation.

ESIA, ESMP, and ESMP Checklist shall be publicly disclosed and public consultations shall be conducted. The documents shall be disclosed on MCTI/PIU websites and websites of LSGs. It is the responsibility of MCTI/PIU to organize disclosure of subject documents, announce calls for public consultations in media and on local municipality level, prepare and perform presentation of the subprojects and its environmental and social aspects in line with the Project Level SEP. Alongside the documents, an invitation for the public consultation will be published (e-format and printed media) and comments are invited to be submitted electronically and written submission thereof within a clearly defined time period (for a minimum of two weeks). Hard copies shall be made available at MCTI/PIU premises, and other locations as deemed relevant. By the end of the disclosure period, the public consultation meetings for the ESAs shall be conducted, inviting stakeholders and the general public to proactively participate. The design and organization of the consultation meeting will take into account the COVID19 national and WHO rules and recommendations. If the measures related to the COVID19 pandemic would not allow the classic public consultations, virtual public consultation is to be organized where the subject document is disclosed and a set of activities is performed to ensure public awareness (public call for comments announced through newspapers, TV, radio, social networks; recording or live stream of the presentation etc.). The public consultation meeting for ESMP Checklists will be agreed at a later stage with the WB.

All comments and questions shall be processed and together with feedback incorporated in the final version of the Environmental Assessments (EAs, meaning ESIA, ESMP, ESMP Checklist) and captured in the minutes of the meeting. The disclosure and consultation shall be guided by the project PSEP and subsequent SEPs and consider potential limitations to traditional engagement due to the COVID 19 pandemic.

7.3.4 Integration of ESMP and ESMP Checklist in tender documents (Step 4)

The EAs (ESIA, ESMP, ESMP Checklist) will be prepared prior to the bidding of works and the CFU will be responsible to integrate final version of EAs into tender documents for the selected subprojects and in the contracts for their execution to be signed with the selected works contractors. The Contract agreements shall impose the Contractor's obligation to comply with the requirements specified in the EAs. The Contractors will be required to demonstrate that all mitigation measures have been accounted for to ensure subproject implementation in environmentally and socially acceptable manner.

Standard Bidding Documents of the WB for Procurement of Works as updated in January and October 2017 and revised in July 2019 and further updated in January 2020 already contain clauses for enhancement of environmental, social, health and safety performance.

7.3.5 Implementation, project supervision, monitoring and reporting

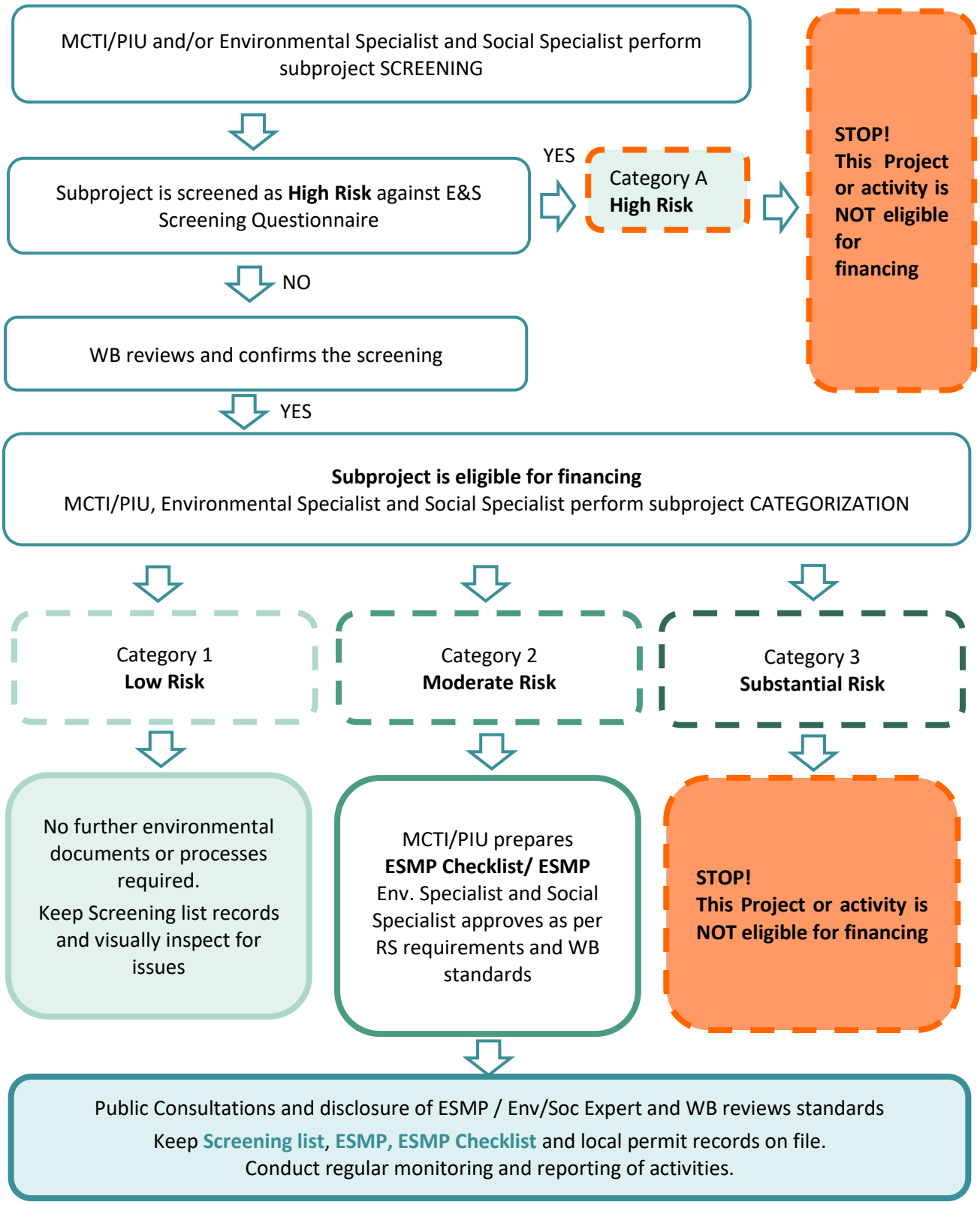
Implementation of mitigation measures and environmental and social monitoring is an obligation of the Contractor compliant to ESIA, ESMP and ESMP Checklist. The Supervision Engineer (compliant to the Standard conditions of contract (i.e. FIDIC Yellow book and FIDIC Red Book or MDBH Harmonized edition (Pink book) and (ii) the PIU specialists), alongside other routine activities, shall supervise the Contractor`s Environmental and Social performance and verify compliance with E&S Instruments. The overall implementation and compliance responsibilities lie with the MCTI. The PIU (environmental specialist and public communications, social and citizen engagement specialist) will report on ESA implementation and E&S (ESF, national regulation, and EHSG) compliance to WB in Progress Reports, while sub-project ESAs implementation reporting will be quarterly, unless differently agreed with the WB E&S specialists.

The ESA process diagram is given in Figure 1.

7.3.6 Environmental and Social Audit for activities already commenced

For projects the WB intends to finance as a subsequent phase of works, where construction in previous phases has been completed, an assessment of compliance with the World Bank ESF ESSs, EHS Guidelines, national legislation and good practices will be conducted. The ToR of the E&S Audit shall be prepared by the PIU and endorsed by the WB. Subject to approval the Audit may be carried out internally by the PIU staff or in absence of such agreement the PIU will procure an independent third party. The Audit report shall identify areas of major non-compliance with the ESF requirement, and propose relevant remedial measures, either though developments of remedial management instruments or individual actions. ESAs prepared for the commenced projects will be reviewed and revised for the part financed by the WB and assess whether the ESA is compliant to the ESF requirements.

Figure 1. The ESA process diagram



7.4 Environmental and Social Management Plan (ESMP)

Infrastructure investments under Component 1, Subcomponent 1.1. Greening of Infrastructure, anticipate financing of the following type of projects: local roads rehabilitation and upgrade to incorporate bike paths, closure of the local roads, and transformation to pedestrian zones and green public spaces, shifting from diesel-run public transport to natural gas or electric, the substitution of old public lighting with EE bulbs, etc.

The scope and exact locations of these interventions are yet to be determined, but all works are envisaged to be carried out within the scope of existing infrastructural facilities (with the possibility of minor expansion that can result in land acquisition).

Site-specific Environmental and Social Management Plans (ESMPs) will be prepared and will include site-specific impacts and mitigation measures. The ESMPs provisions will be incorporated into the bidding documents and the contractor's contract for each sub-project.

The Environmental and Social Management Plan (ESMP) for all subprojects will identify the principles, approach, procedures and methods that will be used to control and minimize the environmental and social impacts of all construction activities and further, on the operation phase of the respective investments.

ESMP is an implementation plan that indicates which of the ESA report recommendations and alternatives will actually be adopted and implemented. It will ensure incorporation of the relevant environmental factors into the overall project design and will identify linkages to other safeguard policies relating to the project.

ESMP should outline the mitigation, monitoring and administrative measures to be taken during project implementation to avoid or eliminate negative environmental impacts, and may also be an effective way of summarizing the activities needed to achieve effective mitigation of negative environmental impacts.

ESMP identifies feasible and cost-effective measures that may reduce potentially significant adverse environmental impacts to acceptable levels.

The proposed content of ESMP should include:

- Executive Summary
- Project description
- Policy, legal and administrative framework
- Baseline conditions assessed during route survey
- Summary of predicted adverse environmental and social impacts related to project in:
    - design/preparation phase
    - construction phase
    - operation phase
- Description of mitigation measures and implementation plan for:
    - design/preparation phase
    - construction phase
    - operation phase
- Description of monitoring activities and plan
- Institutional arrangements and reporting procedures
- Stakeholder engagement – information disclosure, public consultations, and participation.

The borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP will be executed effectively. Consequently, the Bank expects the plan to be specific in its description of the individual mitigation and monitoring measures and its assignment of institutional responsibilities, and it must be integrated into the project's overall planning, design, budget, and implementation.

Such integration is achieved by establishing the ESMP within the project so that the plan will receive funding and supervision along with the other components.

ESMP document will ensure that the environmental mitigation measures and their practical monitoring become a legal responsibility of PIU to be established within the MCTI.

7.4.1 Waste management plan

Following the expected nature of projects anticipated to be financed under the Project, among other project specific issues, waste generation will be unavoidable for majority of subprojects. Therefore, waste management will be mandatory elaborated within the ESMP documents and Waste Management Plans (WMP) should be developed by subproject Contractors as part of their own site-specific Implementation Plans.

WMP shall contain the following:

- Documentation on the waste generated by the company[20] (origin, type of waste pursuant to waste classification list, composition, volume),
- Measures to be taken to limit waste generation, particularly in case of hazardous waste,
- Segregation of waste, particularly segregation of hazardous waste from other types of waste and from recyclables,
- Waste disposal practices,
- Waste treatment and/or disposal methods.

7.4.2 OHS Management Plan

The Contractor will be required to prepare an OHS Plan to establish and maintain an effective health and safety management system. Through the Plan he will commit to implementing a structured approach to workplace health and safety in order to achieve a consistently high standard of safety performance.

This Plan will assist the Contractor in meeting his obligations in accordance with work health and safety legislation. This Plan applies to all contracted workers and to other persons at risk from work carried out at workplaces.

7.4.3 Traffic Management Plan

The Contractor will be responsible to prepare a Traffic Management Plan Traffic involving requirements and measures for the safe movement of vehicles, powered mobile plant and pedestrians within, through and around sites.

7.4.4 Generic ESMP

Generic ESMP (sample) has been prepared for the purpose of this ESMF and is provided in Annex 6 of this ESMF complemented by a Sample Mitigation Plan and Sample Monitoring Plan in Annex 7. The generic ESMP provides mitigation measures and monitoring value chain for construction works. In addition, national requirements on EIA procedure should be followed.

Provisions of the ESMPs will be integrated into the tender documents for respective subprojects and shall be annexed to the contract and considered in the specifications and bills of quantities.

[20] Serbian Rulebook on Waste Categories defines a list of waste categories by activities in which it is generated and shall be read in conjunction with the relevant WB ESS and WB EHS guidelines (both general and sector specific).

Bidders will be required to budget the cost of ESMP requirements in their financial bids and required to comply with them while implementing the project activities. Specifications ensuring effective implementation of environmental, social, health and safety performance criteria by the selected bidder will include an obligation to inform the communities representatives and MCTI/PIU of any incidents involving community members, all significant accidents and events involving contract and subcontract workers etc.

Template of an ESMP document - part I & II (Table Mitigation Plan and Table Monitoring Plan) is enclosed as Annex 7 to this ESMF document.

7.4.5 ESMP Checklist

ESMP Checklist or ESMP shall be prepared for subprojects categorized as 'Moderate Risk' projects by using templates provided in the respective Annexes – ESMP / Annex 6&7, ESMP Checklist template / Annex 8.

ESMP Checklist shall include the following content:

- Descriptive part – subproject specifics in terms of physical location, the institutional and legislative aspects, the project description, inclusive of the need for a capacity building program and description of the public consultation process.
- Environmental and social screening – simple Yes/No format followed by mitigation measures for any given activity type.
- Monitoring plan – for activities during project implementation, in the same format required for standard World Bank EMPs.

Environmental and social screening and Monitoring plan shall be included as bidding documents for contractors.

The steps to be followed in while preparing the ESMP Checklist are given below:

General identification and scoping phase. Identification of subproject activities and environmental and social screening is implemented and main potential adverse impacts to human health and environment are identified. At this stage, the ESMP Checklist is drafted.

Detailed design and tendering phase, including specifications and bills of quantities for individual activities by integrating the environmental provisions in tabular format. This phase also includes the tender and award of the works contracts. This phase finally defines the contractual obligations of the Contractor on environmental measures to be taken during the construction/rehabilitation/repair process. The ESMP Checklist should be disclosed publicly at the tendering stage.

Implementation phase. During the implementation phase environmental compliance and other qualitative criteria are checked on the respective site by the supervising engineer. The mitigation measures in Environmental and social screening and Monitoring plan are the basis to verify the Contractor's compliance with the required environmental provisions.

For each subproject screened as 'Moderate Risk' category the ESMPs Checklist provisions will form part of the design documents for the project, and, will be included in contracts for selected subprojects, both into specifications and bills of quantities.

Respectively the Contractors will be required to include the cost of ESMP Checklist requirements in their financial bids and required to comply with them while implementing the project activities.

7.4.6 Monitoring and reporting

Subprojects categorized as 'High and Substantial Risk' will not be eligible for financing.

For subprojects classified as 'Moderate Risk' the monitoring of the Contractor's safeguards due diligence, the supervising engineer will work with Monitoring plan of the ESMP Checklist, developed site specifically and in

necessary detail, defining clear mitigation measures and monitoring which can be included in the works contracts, which reflect the status of environmental practice on the working site and which can be observed/measured/quantified/verified by the supervisor during the works. Monitoring plan shall be updated and revised during the design process to practically reflect key monitoring criteria which can be checked during and after works for compliance assurance and ultimately the Contractor's remuneration. Supervision of subproject implementation is not limited to the Monitoring plan, but also to implementation of all measures defined in the ESA.

An appropriate environmental and social supervision plan will be developed aiming to ensure the successful implementation of an ESMF across the project and will be shared with the World Bank. The environment and social team based in the MCTI/PIU will be responsible for overall monitoring of the ESMF implementation up to the project closure and transfer for management to the designated authority.

An acceptable monitoring report from the contractor or supervising engineer would be a condition for full payment of the contractually agreed remuneration, the same as technical quality criteria or quality surveys. To assure a degree of leverage on the Contractor's environmental performance an appropriate clause will be introduced in the works contracts, specifying penalties in case of noncompliance with the contractual environmental and social provisions, e.g. in the form of withholding a certain proportion of the payments, its size depending on the severity of the breach of contract. For extreme cases a termination of the contract shall be contractually tied in.

MCTI/PIU would report on regular basis to the World Bank on subprojects screening, approval and monitoring results. Reporting on ESAs implementation compliance will be quarterly, unless otherwise agreed between the WB and the MCTI/PIU as well as an integral part of progress reporting. In the case of significant accidental situations, the MCTI/PIU will notify and report on the occurrence promptly. E&S report template is provided in Annex 11.

8 LABOR MANAGEMENT PROCEDURES

OHS procedures in Serbia are in line with ILO conventions, with clearly defined procedures and responsibilities as well as implementation control. Labor issues (including OHS, workplace SEA/SHA) under the LIID Project will be managed through a separate document – Labor Management Plan (LMP) applicable to all project workers as defined by World Bank Environment and Social Standard 2: Working and Labor Conditions (ESS2)[21].

The LMP sets out the terms and conditions for employment or engagement of workers on the project, specifies the requirements and standards to be met and the policies and procedures to be followed, assesses risks and proposes the implementation of compliance measures. The LMP is developed to help avoid, mitigate, and manage risks and impacts in relation to project workers and ensure protection of their fundamental rights, fair treatment, and provision of safe and healthy working conditions.

LMP Compliance report template and Statement of legal and regulatory compliance are provided in Annexes 4 and 5.

[21] The term "project worker" refers to: (a) people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers); (c) people employed or engaged by the Borrower's primary suppliers (primary supply workers); and (d) people employed or engaged in providing community labor (community workers). ESS2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers.

9 ESMF IMPLEMENTATION ARRANGEMENT

The Project will be implemented by the Ministry of Construction, Transport, and Infrastructure (MCTI) through an existing PIU, supported by the CFU in the Ministry of Finance (MoF) and supplemented by employees in the municipalities officially assigned to the project.

Although some of the anticipated project activities related to municipal infrastructure may be beyond the scope of the (MCTI) the PIU will ensure that all of the proposed activities will be discussed and cleared by the appropriate authorities and ministries and that all relevant permits will be obtained prior to the start of any works.

The MCTI's PIU has already been established to manage the Serbian part of the WB Trade and Transport Facilitation Project and Railway Modernization Project MPA, and the same PIU will manage the Serbia LIID Project. The already existent PIU in the MCTI will be extended with the team to implement the project, and strengthened with appropriate managerial and technical capacity to enable it to carry out (i) day-to-day implementation of project activities directly under its responsibility and (ii) support municipalities participating in the Project. It is envisaged that the PIU will be strengthened with the minimum of 9 highly skilled engineers that will support municipalities in project preparation and will review the quality of the submitted projects against the best practices and eligibility criteria.

The CFU will be responsible for fiduciary issues like financial management and support to LSGs to implement procurements. The CFU will be strengthened with minimum 3 procurement specialists whose main task will be to raise procurement capacities of LSGs and guide the procurement of projects under the Loan.

Municipalities will have their dedicated employee(s) in charge of managing the projects financed by the loan, including activities related to procurement, project preparation, and the introduction of improved policies and planning and management frameworks. Each beneficiary municipality will sign a MoU with the MCTI where mutual responsibility and obligations are defined. MoU will be defined in a Project Operational Manual.

The PIU will be supported by one environmental specialist and one social specialist, either full-time or part-time staff of consultants during project implementation and depending on the scope of works additional hires may be required which at this time cannot be determined. All additional staffing would be agreed upon by the PIU and the Bank team and supported by the Project. The obligations of the specialists will include oversight of environmental and social issues within the Project i.e overall implementation of ESF Policies and ESMF as well as E&S management of the project, including, but not limited to: preparation and quality of ESAs, disclosure and organization of meaningful public consultations of ESAs, supervision of ESAs implementation and assessing compliance, prescribing corrective measures, reporting to WB, engaging other experts as needed and otherwise supporting and advising other PIU members in the area of E&S.

MCTI/PIU will be responsible for Project monitoring and evaluation (M&E) according to Monitoring and Evaluation scheme to be developed to ensure that the project is implemented in accordance with the objectives and expected results. The MCTI/PIU will monitor, assess, and report the implementation progress and results based on the M&E framework.

During the works, contractors will work according to the site specific Environmental and Social Management Plans (ESMPs). The Contractor is obliged to confirm that:

- ESMP conditions have been included into the bid price;
- The Contractor has a qualified and experienced person in a team who will be responsible for the environmental compliance requirements of the ESMP. For this part of the work on the construction site, the presence of a responsible person is mandatory on a daily basis;
- The Contractor and its sub-contractors will comply with Republic of Serbia national laws, EU standards and Lender requirements.

The Contractor should identify potential risks before the commencement of works. Provisions for emergency responses are to be included in the Construction Site Safety Plan, which shall include nomination of a person who will be immediately contacted if an accident occur. In case of any accidents or environmental threats, there will be immediate reporting about these events. The Contractor shall inform the project manager and local authorities immediately after the accident. The Site Safety Plan shall be submitted to the Project Supervision Consultant for approval one week before the commencement of the works.

The Contractor will be responsible for the implementation of environmental mitigation measures during construction and shall employ an environmental specialist who will supervise implementation of the Contractor's environmental responsibilities. He will coordinate between the Contractor, PIU and the MCTI, and will address any complaints during project implementation in cooperation with PIU. During project implementation, the PIU shall monitor the compliance of the Contractor with the ESMP provisions.

The Contractor will prepare, as quarterly progress reports, the reports for PIU, which would present all the mitigation measures and measures for environmental protection along with the anticipated activities for monitoring, which were performed during the reporting period. The Contractor will take care of the quality of the environment, in accordance with Mitigation Plan and Monitoring Plan, which form an integral part of the ESMP and will provide reports to PIU.

The cost for ESMF implementation cannot be estimated as the type and number of projects to be submitted under sub-component 1.1 is currently unknown. Site specific ESMPs will provide for all three aspects (mitigation, monitoring, and capacity development) the capital and recurrent cost estimates and sources of funds for implementation. Cost of ESMF implementation will be integrated to the total Project cost.

The process of ESMF implementation is shown in the following table:

Table 5. ESMF implementation process

	Activity	Responsibility/ primary	Responsibility/ secondary
1	Capacity building of the PIU (within the MCTI) and implementing partners on the new ESF standards application	WB Staff External Env. Specialist and Social Specialist	MCTI/PIU
2	EIA Licenses / Permits	MCTI/PIU	MCTI/PIU
3	Incorporation of E&S requirements and guidelines	MCTI/PIU	MCTI/PIU
4	Preparation, internal approval, Clearance and approval of the Project Operational Manual	MCTI/PIU WB	MCTI/PIU Env. Specialist and Social Specialist
5	Incorporation of the E&S requirements and guidelines into the tender documents	MCTI/PIU	MCTI/PIU Procurement specialist
6	Stakeholder Engagement Plan Implementation	MCTI/PIU	Env. Specialist and Social Specialist
7	Establishing GRM	MCTI/PIU	LSGs
8	Environmental and Social Screening of Subprojects	MCTI/PIU	MCTI/PIU Env. Specialist and Social Specialist
9	Final screening of subprojects for eligibility, including E&S requirements	MCTI/PIU	
10	ESMP Checklist and Social Screening completion for Subprojects	MCTI/PIU	
11	Environmental and Social Screening Report	MCTI/PIU Env. Specialist and Social Specialist	WB
12	Development of EAS instruments (site specific ESIA, ESMP, ESMP Checklist, RPs, Environmental and Social Audits, Resettlement Audits if needed)	MCTI/PIU	MCTI/PIU Env. Specialist and Social Specialist

13	Quality control and submission of ESS instruments to the WB	MCTI/PIU	Env. Specialist and Social Specialist
14	Review and approval of ESS Instruments	WB E&S specialist	Regional ESSA
15	Implementation of ESMPs	Contractor	Subcontractors
16	Monitoring and reporting on ESMP implementation	MCTI/PIU	Supervising engineer Env. Specialist and Social Specialist
17	Supervision of ESMP	MCTI/PIU	Supervising engineer GM Env Specialist and Social Specialist

Site specific Environmental and Social Management Plans (ESMPs) will identify feasible and cost-effective measures that may reduce potentially significant adverse environmental and social impacts to acceptable levels. The ESMPs divide the project cycle into three phases: construction, operation, and decommissioning. For each phase, the PIU identifies any significant environmental and social impacts. For each impact, mitigation measures are to be identified and listed. Estimates are made of the cost of mitigation actions broken down by estimates for installation (investment cost) and operation (recurrent cost). To keep track of the requirements, responsibilities, and costs for monitoring the implementation of ESMP, a Monitoring Plan will be applied.

10 PROJECT GRIEVANCE MANAGEMENT

A Project level Grievance Mechanism (GM) shall be established by the MCTI/PIU, consisting of Central Feedback Desk (CFD) administered by the /PIU and subproject specific Grievance Desks (LGD) (collectively referred to as Grievance Mechanism (GM)).

The Central Feedback Desk (CFD) shall be established prior to commencement of any activities under the Project to manage and appropriately answer complaints during its different phases while the LGD shall be effective upon decision on each new Subproject has been taken. CFD shall be responsible for overall grievance administration, while the LGD shall serve as local admission point for uptake of grievances and acknowledgment of grievance receipt through local avenues, established and administered by the local governments (affected municipality) with representatives from the key stakeholders (i.e. PIU representative, municipal representative and representative of the local communities). In addition to the GM, legal remedies available under the national legislation are also available (courts, inspections, administrative authorities etc.).

To ensure GM access, potential beneficiaries, communities, and other stakeholders may submit grievances through channels as outlined below. The GM will provide the opportunity for continued feedback on the Subprojects and resolution of individual grievances during implementation. Procedures related to complaints handling will be posted on the MCTI website to ensure full transparency.

The GM shall serve as both Project level information center and grievance mechanism, available to those affected by implementation of all Project sub-components and be applicable to all Project activities and relevant to all local communities affected by project activities. The GM shall be responsible for receiving and responding to grievances and comments of the following groups:

- A person/legal entity directly affected by the project, potential beneficiaries of the Project,
- A person/legal entity directly affected by the project through land acquisition and resettlement,
- People interested in the project, and
- Residents/communities interested in and/or affected by project activities.

The MCTI/PIU will cooperate with LSGs in joint efforts to establishing functioning GM and informing stakeholders about the GM role and function, the contact persons, admission channels, and the procedures to submit a complaint in the affected areas. Information on the GM will be available:

- ✓ On the website of the MCTI (http://www.mgsi.gov.rs/)
- ✓ On the notice boards and websites of LMs
- ✓ Through social media campaigns.

Although the Project's Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) and Sexual Exploitation and Abuse/Sexual Harassment risk was assessed as low (because of (i) the expected local employment and (ii) expected low number of workers on construction sites) the GM will, on a precautionary base, be enabled to recognize SEA/SH grievances. Such grievances will be managed separately by a trained expert, but will use the same process value chain and timeframes described below (chapter 6.4. Grievance admission and process value chain). The necessary training for the appointed staff member who is to deal with such grievances will be provided.

10.1 Raising grievances

Effective grievance administration strongly relies on a set fundamental principle designed to promote the fairness of the process and its outcomes. Any grievance can be brought to the attention of the CFD or LGD anonymously, personally or by telephone or in writing by filling in the grievance form by phone, e-mail, post, fax or personal delivery to the address of the MCTI/PIU which will be known once established. The access points and details on entry points shall be publicized and shall be part of the awareness building once the locations of sub-projects are known and once the PIU has been established.

10.2 Grievance administration

Any grievance shall follow the path of the following mandatory steps: receive, assess and assign, acknowledge, investigate, respond, follow up and close out.

Once logged the GM shall conduct a rapid assessment to verify the nature of grievances and determine on the severity. Within 5 days from logging it will acknowledge that the case is registered and provide the complainant with the basic next step information. It will then investigate by trying to understand the issue from the perspective of the complainant and understand what action he/she requires. The GM will investigate by looking into the facts and circumstances interview all parties involved and confer with relevant stakeholders. Once investigated, and depending on the severity and type of grievance, the provisional decision shall be discussed with the complainant in the timeframe of 10 days after logging the grievance. The final agreement should be specific and issued and grievant informed about the final decision not later than 30 days after the logging of the grievance. Closing out the grievance occurs after the implementation of the resolution has been verified. Even when an agreement is not reached, or the grievance was rejected it is important to document the result, actions and effort put into the resolution, close out the case. If the grievance could not be resolved in amicable endeavor, the grievant can resort to the formal judicial procedures, as made available under the Serbian national legal framework. Logging a grievance with the GM does not preclude or prevent seeking resolution from an official authority, judicial or other at any time (including during the grievance process) provided by the Serbian legal framework.

In case of anonymous grievance, after acknowledgment of the grievance within three days from logging, the CGD will investigate the grievance and within 30 days from logging the grievance, issue final decision that will be disclosed on the website of the MCTI. Closing out the grievance occurs after the implementation of the resolution has been verified.

The CGD shall keep a grievance register log that will have all necessary elements to disaggregate the grievance by gender of the person logging it as well as by type of grievance. The personal data of each Grievant shall be protected under the Data Protection Law. Each grievance will be recorded in the register with the following information at minimum:

- ✓ description of grievance,
- ✓ date of receipt acknowledgement returned to the complainant,
- ✓ description of actions taken (investigation, corrective measures), and
- ✓ date of resolution / provision of feedback to the complainant,
- ✓ verification of implementation, and
- ✓ closure.

In case a grievance cannot be resolved in manner satisfactory to the complainant he/she has the right for an appeal. In such cases the resolution of the grievance will be reviewed by a commission at the level of the implementing agency. The commission will consist of three appointed members that are not directly involved in Project implementation. The commission will acknowledge the receipt of the appeal within 3 days and issue the final decision within 5 days of the receipt of the appeal. The decision of the commission will entail a detailed explanation of the grievance resolution process as well as the explanation of the final decision and guidance on how to proceed if the outcome is still not satisfactory for the complainant.

10.3 Grievance log

The role of the GM, in addition to addressing grievances, shall be to keep and store comments/grievances received and keep the Central grievance log administered by the PIU.

The PIU will maintain grievance log to ensure that each complaint has an individual reference number and is appropriately tracked, and recorded actions are completed. When receiving feedback, including grievances, the following is defined:

- ✓ Type,
- ✓ Category,
- ✓ Deadline for resolving the appeal, and
- ✓ Agreed action plan.

Each complaint should be assigned with an individual reference number and is appropriately tracked and recorded actions are completed. The log should contain the following information:

- ✓ Name of the grievant, location and details of the grievance,
- ✓ Date of submission,
- ✓ Date when the Grievance Log was uploaded onto the project database,
- ✓ Details of corrective action proposed,
- ✓ Date when the proposed corrective action was sent to the complainant (if appropriate),
- ✓ Date when the grievance was closed out,
- ✓ Date when the response was sent to the grievant.

10.4 Grievance admission and process value chain

Table 6. Grievance flowchart

STEPS	ACTIONS	DAYS
STEP 1: Submission of grievances	Orally, in writing via suggestion/complaint box, through telephone hotline/mobile, mail, SMS, social media (WhatsApp, Viber, Facebook etc.), email, website, and the LGD. The GRM will also allow anonymous grievances to be raised and addressed. The site specific SEPs shall include details of Grievance entry points and focal points.	
STEP 2: Recording of grievance	Classifying the grievances based on the typology of complaints and the complainants in order to provide more efficient response, and providing the initial response immediately if possible. The typology will be based on the characteristics of the complainant (e.g., vulnerable groups, persons with disabilities, people with language barriers, etc.) and also the nature of the complaint	
STEP 3: Acknowledgement of grievance		5
STEP 4: Investigate and discuss with Complainant	Gathering information about the grievance to determine its eligibility and to generate a clear picture of the circumstances surrounding the issue under consideration. This process normally includes site visits, document reviews, a meeting with the GM user (if known and willing to engage) and meetings with individuals and/ or entities who can assist with resolving the issue. Reasonable efforts will be taken to address the complaint. If the grievance is vague and not clear enough, the GM is obliged to help and provide counsel and even help in redrafting the submission, in order for the grievance/ to become clear, for purposes of an informed decision by the GM, in the best interests of persons affected by the Project. If the GM is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified. The decision shall give a clear assessment on the grievance/complaint, clear ruling and recommendations for fair remedy and propose measures to modify future conduct that caused the grievance as well as proposed measures to compensate if mitigation measures cannot remedy the harm or injury. The decision shall be in writing and shall be delivered to the person who filed the grievance as well as to any other person or entity to which the recommendation and measures shall apply or is under obligation by Law. The person who filed the grievance can express his/her personal satisfaction to the outcome of the grievance resolution	10

	procedure. Unilateral decision shall be an exception and resolution shall be sought through a dialogue between the GM and the Grievant	
STEP 5: Communication of the decision		30
STEP 6: Complainant Response	Either grievance closure or taking further steps/second tier commission if the grievance remains open. Before any closure of complaints/grievances, the GM shall: ◆ Confirm that the required GM actions have been enforced, that the grievance resolution process has been followed and that a fair decision has been made; ◆ Organize meeting(s) within 10 days of being contacted by the concerned parties to discuss how to resolve the issue, if not previously conducted; ◆ Recommend the final decision on the mitigation measure to the complainant/aggrieved party; ◆ Implement the agreed mitigation measure; ◆ Update the Grievance Report Form and have it signed by the complainant/aggrieved party; ◆ Sign the Grievance Report Form and log the updated information of the grievance into the Grievance Registry; and ◆ Send copies of relevant documents (e.g. completed Grievance Report Form, mitigation measure, minutes of the meetings, if appropriate) to the concerned parties.	

The Sub-project specific SEPs shall have details on each Grievance admission points, grievance administration processes, timelines, investigation activities and closure conditions including the 2nd tier resolution instance. Further details on local access details LGD are to be known and disseminated at later stages and shall be part of the awareness raising campaign of the sub-project SEPs.

10.5 Monitoring and reporting on Grievances

The CFD will be responsible for:

- ✓ Regular acquisition of data, as soon as the grievance is received through LGD serving as local admission points, on the number, substance and status of complaints and uploading them into the single regional database;
- ✓ Maintaining the grievance logs on the complaints received at the regional and local level;
- ✓ Monitoring outstanding issues and proposing measures to resolve them;
- ✓ Disclosing quarterly reports on GM mechanisms:
  - On the website of the MCTI (http://www.mgsi.gov.rs/)
  - On the notice boards and websites of LMs
  - Through social media campaigns.
- ✓ Summarizing and analyzing the qualitative data received from the local Grievance Admission points on the number, substance and status of complaints and uploading them into the single project database.

The regular social monitoring reports to the WB shall be submitted through the MCTI/PIU, which shall include a section related to GM which provides updated information on the following:

- ✓ Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
- ✓ Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
- ✓ Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- ✓ Level of satisfaction by the measures (response) taken;
- ✓ Any corrective measures taken.

10.6 World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service.

For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

11 STAKEHOLDER ENGAGEMENT

Direct beneficiary of the LIID project is Ministry of Finance (MoF) and Ministry of Construction, Transport, and Infrastructure (MCTI) as Implementing Agency. Municipalities and local self-governments (LSGs) as end beneficiaries are key stakeholders for subproject implementation, including participating government entities, local SOEs and local communities. Key vulnerable groups include retired, elderly, and people with disabilities and chronic diseases; single-parent headed households, male and female; people with low literacy and ICT knowledge; economically marginalized and disadvantaged groups; persons living below the poverty line; Ethnic minorities and women. Considering the nature of the Project, strong community, and stakeholder engagement for the proposed activities are the key to Project success. Citizen engagement will be included in the planning stage, providing inputs in infrastructure prioritization. The project will enable participation and promote inclusiveness, especially for vulnerable groups, and ensure that gender considerations are considered.

In response to the commitment of the GoS to comply with the ESF, the Ministry of Construction, Transport and Infrastructure (MCTI) has developed a Project level Stakeholder Engagement Plan (PSEP) to guide the project's stakeholder engagement in line with ESS10 – Stakeholder Engagement and Information Disclosure, from the early stages and throughout the Project cycle focusing on gender gaps and tailored approaches.

The Republic of Serbia citizen engagement commitments do not reside under a single self-standing law or regulation. However, the recognition of importance of citizen engagement is embedded in the legal system and clearly recognized by the mandatory procedures provided by individual laws.

Various stakeholder engagement activities are proposed to ensure awareness and meaningful consultations about Project activities. The outreach and stakeholder engagement will be gender appropriate, taking into consideration the after-hour chores of women. Targeted messaging will encourage the participation of women, those living in areas with risks from flooding and highlight Project characteristics that are designed to respond to their needs and increase their access to Project benefits. Citizen engagement and feedback survey shall be part of the engagement agenda.

11.1 Public Consultations on ESMF with project stakeholders

All ESF instruments shall be subject to adequate disclosure and public consultations in line with the PSEP, and ESS1. As required by WB Environmental and Social Standard 10 (ESS10) – Stakeholder Engagement and Information disclosure, during preparation of draft ESMF, ESCP, RPF, SEP and LMP documents the PIU will carry out public consultations with relevant stakeholders.

Full Report on public consultations will be attached as Annex 12 of this ESMF document.

12 REFERENCE DOCUMENTS

- The World Bank Environmental and Social Framework, 2017 International Bank for Reconstruction and Development/The World Bank
- WBG EHS Guidelines
- Concept note on a proposed loan in the amount of 100 US$M to Republic of Serbia for Serbia Local Infrastructure and Institutional Development Project (P174251)
- Local Green Infrastructure Annex
- Concept Environmental and Social Review Summary Concept Stage (ESRS Concept Stage) Date Prepared/Updated: 03/04/2021 | Report No: ESRSC01889

13 ANNEX 1: EXCLUSION LIST OF PROJECTS / ACTIVITIES

The IFC Exclusion List defines the types of projects that IFC does not finance. IFC does not finance the following projects:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

A reasonableness test will be applied when the activities of the project company would have a significant development impact, but circumstances of the country require adjustment to the Exclusion List.

All financial intermediaries (FIs), except those engaged in activities specified below*, must apply the following exclusions, in addition to IFC's Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor /harmful child labor.
- Production or trade in wood or other forestry products other than from sustainably managed forests.

*When investing in microfinance activities, FIs will apply the following items in addition to the IFC Exclusion List:

  - Production or activities involving harmful or exploitative forms of forced labor2/harmful child labor.
  - Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
  - Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

*Trade finance projects, given the nature of the transactions, FIs will apply the following items in addition to the IFC Exclusion List:

  - Production or activities involving harmful or exploitative forms of forced labor2/harmful child labor.

14 ANNEX 2: LIST I – PROJECTS REQUIRING A MANDATORY ENVIRONMENTAL IMPACT ASSESSMENT

Projects Requiring a Mandatory Environmental Impact Assessment defined by the Regulation on the determination of the List of projects for which environmental impact assessment is mandatory, and the List of projects for which the environmental impact assessment may be required ("Official Gazette of the RS" no. 114/08) – LIST I

1. Plants for:
    1) Refining oil, oil derivatives and natural gas;
    2) Gasification and melting of coal or oil seal shale, heavy crude oil residues.
2. Plants:
    1) For the production of electricity, water steam, hot water, technological steam or heated gases, by using all types of fuel, as well as plants for driving working machinery (thermal power plants, heating plants, gas turbines, internal combustion engine plants and other devices for combustion, including steam boilers) with 50 MW or more power;
    2) Nuclear reactors, including the disassembly or removal from operation of such Reactors1, other than scientific research plants for the production and conversion of fission and enriched materials with a total power not exceeding 1 kW of constant thermal load.
3. Plants:
    1) For the treatment of spent nuclear fuel;
    2) Envisaged:
        - For the production or enrichment of nuclear fuel;
        - For the treatment of spent nuclear fuel or highly radioactive nuclear waste;
        - For the permanent disposal of spent nuclear fuel;
        - For the permanent disposal of nuclear waste;
        - For the treatment, storage and disposal of radioactive waste.
4. Plants:
    1) For roasting or sintering metal ore (including sulphide ore);
    2) For the production of raw iron or steel (primary or secondary melting) including continuous casting, with a capacity exceeding 2.5 t/h;
    3) For processing in ferrous metallurgy:
        - Hot rolling mills with a capacity of over 20 t/h of raw steel;
        - Forges with automatic hammers with energy exceeding 50 kJ per single hammer, where the used heat power exceeds 20 MW;
        - Plants for the application of metal protective layers to metallic surfaces using molten baths, with an input exceeding 2 t/h of raw material;
    4) Foundry for ferrous metals with a production capacity of over 20 t per day;
    5) Plants:
        - For the production of non-ferrous raw metals from ore, concentrates or secondary raw materials through metallurgic and/or chemical processes, and/or electrolytic processes;
        - For melting including the production of alloys from non-ferrous metals, as well as the production of by-products (refining, casting, etc.), with a melting capacity of over 4 t per day for lead and cadmium, or 20 t per day for all other metals;
    6) For the surface processing of metals and plastic materials using electrolytic or chemical processes, where the volume of the treatment tubs exceeds 30 m3.
5. Plants for:
    1) Extraction, production, refining and processing of asbestos and products containing asbestos;
    2) Production of cement clinker, cement and lime in rotational or other furnaces with capacities over 500 t per day for the production of cement clinker or lime with a capacity of over 50 t per day in rotational furnaces.
6. Combined chemical plants, i.e. plants for the industrial production of substances where chemical change procedures are applied and where individual plants are located next to one another and are functionally connected, intended for the production of:
    - Basic organic chemicals;

- Basic non-organic chemicals;
- Phosphorus, nitrogen or potassium-based artificial fertilizers (simple or complex fertilizers);
- Basic plant protection products, as well as biocides;
- Basic pharmaceutical products with the application of chemical or biological procedures;
- And/or refining and/or processing of explosives.

7. Construction of:
   1) Main railway lines including ancillary facilities (bridges, tunnels and stations);
   2) Main highways and roads with four or more lanes, or the reconstruction and/or expansion of an existing road with two lanes or fewer, with the aim of producing a road with four or more lanes, in case such a new road or a reconstructed and/or expanded section has a continuous length of over 10 km or more, including ancillary facilities, other than the supporting content of the main road;
   3) Airports for engaging in public air transport2 with a take-off runway longer than 2,100 m.

8. Interior waterways whereupon the international or interstate navigational regime is in force, as well as ports and docks located on an interior waterway whereupon the international or interstate navigational regime is in force, regulation works on interior waterways enabling the passage of vessels over 1350 t.

9. Plants for the treatment of hazardous waste by burning, thermal and/or physical, physical-chemical, chemical procedures, as well as central storage and/or landfills for depositing hazardous waste.

10. Plants for the treatment of non-hazardous waste by burning or chemical procedures with a capacity exceeding 70 t per day; communal waste landfills for over 200,000 population equivalent.

11. Exploitation of ground water or enrichment of ground water where the annual volume of exploited or enriched water is equal to the amount of 10 million m3 or more.

12. Facilities:
   1) Hydro-technical facilities for transferring waters between river basins intended to prevent potential water shortages where the amount of transferred water exceeds 100 million cubic metres annually;
   2) In all other cases, facilities intended for transferring waters between river basins where the multi-annual average of the flow in the basin where the water is captured exceeds 2,000 million m3 per year and where the amount of transferred water exceeds 5% of this flow, except in case of transfer of potable water by pipelines.

13. Plants for cleaning waste water in settlements with populations over 100,000.

14. Extraction of oil and natural gas.

15. Dams and other facilities intended for holding and accumulating waters where the water arriving, or additionally retained, or accumulated exceeds the amount of 10 million m3.

16. Pipelines for the transport of gas, liquid gas, oil and oil derivatives or chemicals with a diameter exceeding 800 mm and a length exceeding 40 km.

17. Facilities for the intensive breeding of poultry or pigs with a capacity exceeding:
- 85,000 places for the production of broilers;
- 40,000 places for poultry in breeding and exploitation;
- 2,000 places for the production of pigs (over 30 kg of weight);
- 750 places for sows.

18. Industrial plants for the production of:
   1) Cellulose from wood pulp, hay or similar fibrous materials;
   2) Paper and cardboard with a production capacity exceeding 20 t/day.

19. Open pit mines for mineral resources with a surface exceeding 10 ha, or the extraction of peat when the surface area of the exploitation terrain exceeds 100 ha.

20. Construction of overhead power lines with voltages amounting to 200 kV or more and lengths exceeding 15 km.

21. Facilities intended for the storage of oil, petrochemical or chemical products, natural gas, flammable liquids and fuels with a capacity of 100,000 t or more.

22. Activities and plants that are issued integrated permits in accordance with the Regulation on the types of activities and plants that are issued an integrated permit (”Official Gazette of RoS”, no. 84/05).

15 ANNEX 3: LIST II – PROJECTS THAT MAY REQUIRE ENVIRONMENTAL IMPACT ASSESSMENT

Projects that may require Environmental Impact Assessment defined by the Regulation on the determination of the List of projects for which environmental impact assessment is mandatory, and the List of projects for which the environmental impact assessment may be required ("Official Gazette of the RS" no. 114/08) – LIST II

Project	Criteria for deciding on the need for drafting the environmental impact assessment study
1. Agriculture, aquaculture and forestry	
1) Irrigation and drainage systems - meliorative systems	The surface area they encompass exceeds 20 ha
2) Facilities for the intensive breeding and keeping of livestock	Capacity of 30,000 to 85,000 places for broilers
	Capacity of 10,000 to 40,000 places for poultry (including hunting birds)
3) Facilities for the intensive breeding of cattle	Capacity of 200 places or more for cattle
4) Facilities for the intensive breeding of:	
- pigs	Capacity of 1,000 to 2,000 places for pigs
- sows	Capacity of 450 to 750 places for sows
5) Facilities for the intensive breeding of animals with noble fur	Capacity of over 1000 places for animals with noble fur
6) Intensive breeding of fish in pools and fisheries	For salmonidae an annual production of 10t or more
	- For ciprinidae a surface area of 5 ha or more
7) Clearing forests for transitioning to another type of land use	The surface area it encompasses exceeds 10 ha
2. Extractive industry	
1) Open pit mines for mineral resources	All projects not listed under List I
2) Peat extraction	Surface area of exploitation terrain from 20 ha to 100 ha
3) Underground exploitation of mineral resources	All projects
4) Exploitation of mineral resources through All projects the procedure of river or lake dredging	All projects
5) Drilling for exploration and exploitation of All projects oil and natural gas	All projects
3. Energy production	
1) Plants for the production of electricity, water steam, hot water, technological steam or heated gases (thermal power plants, heating plants, gas turbines, internal combustion engine plants, other devices for combustion), including steam boilers, in combustion plants using all types of fuel	With a power of 1to 50 MW
2) Plants for energy production from hydropotential	With a power of over 2 MW
3) Devices for using wind power to produce energy (wind farms)	With a total power of over 10 MW
4. Pipelines with ancillary facilities for the transport of gas, oil, chemicals, water steam, hot water or without ancillary facilities, as well as lines for the transmission of electricity by overhead power lines	
1) Pipelines for the transport of gas, other than internal factory pipelines	Length of over 10 km and diameter over 150 mm
2) Pipelines for the transport of chemicals, other than pipelines representing part of a plant for handling such chemicals	Length of over 2 km and diameter over 150 mm
3) Pipelines for the transport of steam or hot water from the plants listed under item 3.1 other than internal factory pipelines	Length of over 20 km.
4) Pipelines for waste water transport	Length of over 10 km.
5) Pipelines for the transport of oil and oil derivatives	All projects not listed under List I
6) Overhead high voltage power lines	Nominal voltage of 110 kV or more
5. Storage of flammable liquids and gases, natural gas, fossil fuels, oil and oil derivatives and chemicals	

1) Storage of flammable gases or products containing flammable gases	Total capacity of over 50 m 3
2) Storage of flammable liquids	Total capacity of over 500 m 3
3) Storage of chlorine	All projects
4) Storage of sulphur-dioxide	All projects
5) Storage of ammonium nitrate or substances containing ammonium nitrate	All projects
6) Storage of ammonia	All projects
7) Storage of other chemicals	Capacity of over 10 t
8) Surface (above-ground) storage of natural gas	Capacity of over 50 m3
9) Storage of coal or lignite	Capacity of over 20,000 t
10) Storage of oil or oil derivatives	Capacity of over 5,000 m3
6. Production and processing of metals	
1) Plants for the production of raw iron or steel (primary or secondary melting) including the continuous casting procedure	All projects not listed under List I
2) Plants for processing in ferrous metallurgy:	All projects not listed under List I
- Hot rolling mills	
- Foundries with one or several hammers or mallets	
- For applying surface protective metal layers in melted condition	
3) Ferrous metallurgy foundries	All projects not listed under List I
4) Plants for melting including the production of alloys comprised of nonferrous metals, as well as the production of useful by-products (refining,casting,etc.)	All projects not listed under List I
5) Plants for the surface processing of metals and plastic materials using electrolytic or chemical procedures	All projects not listed under List I
6) Plants for the manufacture or assembly of motor vehicles and production of engines for motor vehicles (cars, buses, freight vehicles, agricultural, construction and mining machinery, as well as other engine-driven vehicles)	All projects
7) Plants for the manufacture of batteries and accumulators	All projects
8) Shipyards (production and/or repair of ship hulls or engines or ship parts)	Ship lengths 20 m or more
9) Manufacture and repair of aircraft	All projects except regular aircraft maintenance works
10) Manufacture of rail vehicles	All projects
11) Plants for explosive deformation of metals	All projects
12) Plants for the preparation, enrichment, baking and sintering of metal ores, as well as utilization of tailings	All projects
7. Industrial processing of minerals	
1) Plants for the dry distillation of coal (gasworks, smouldering furnaces, etc.)	All projects
2) Plants for the production of cement clinker, cement and lime in rotational or other furnaces	All projects not listed under List I
3) Plants for the production of glass and glass fibres, including the production of glass obtained by processing old glass	Capacity of up to 20 t per day*
4) Plants for melting mineral matter, including the production of mineral fibres	Capacity of up to 20 t per day*
5) Plants for the production of ceramic products by baking (tiles, bathroom accessories, household items from ceramics and porcelain, etc.) as well as the production of construction materials by baking (roof tiles, bricks, etc.)	Capacity of 40 t to 75 t per day*
6) Plants for the production of asphalt mixtures, including mobile plants	Capacity of over 50 t per hour
8. Chemical industry	
1) Processing of intermediate products and production of chemicals	All projects not listed under List I
2) Independent plants for the production, processing, forming and packaging of basic organic and inorganic chemicals, phosphorous, nitrogen and potassium-based artificial fertilizers (simple and complex chemical fertilizers), plant protection products, as well as biocides, pharmaceutical and cosmetic products, plastic mass, explosives, paint and varnish, detergents and chemicals for maintaining hygiene and cleaning, etc.	All projects not listed under List I

3) Plants for the production of mineral oils and lubricants (by distillation, refining, or other methods	All projects
9. Food industry	
1) Plants for the production, treatment or processing of products from:	
- Animal-based raw materials (except milk)	Capacity of 10 t to 75 t per day*
- Plant-based raw materials	Capacity of 30 t to 300 t per day*
2) Plants for the processing, packaging and canning of meat, vegetables and fruit	Capacity of over 10 t per day
3) Plants for the production of animal fodder, except for cattle fodder mixers for own use	Capacity of over 5 t per day
4) Plants for the processing, treatment and refining of milk	Capacity of 5,000 litres to 200,000 litres per day*
5) Plants for the capture and processing of ground water, filling and packaging	All projects
6) Plants for the production of beer	Capacity of over 3,000,000 litres per year
7) Plants for the production of malt and yeast	Capacity of over 200 t per year
8) Plants for the production of confectionery or syrup	Capacity of over 5,000 t per year
9) Plants for the production of:	Capacity:
- Alcoholic beverages	- Over 10,000 litres per day for alcoholic beverages;
- Non-alcoholic beverages	- Over 20,000 litres per day for nonalcoholic beverages;
- Vinegar	- Over 10,000 litres per day for vinegar.
10) Plants for animal slaughter	Capacity of 3 t to 50 t per day*
11) Plants for fish processing	Capacity of over 1t per day
12) Plants for the production of fish meal or fish oil	All projects
13) Plants for the production and processing of starch	Capacity of over 100 t per day
14) Plants for the production or refining of sugar using sugar beet or raw sugar	All projects
15) Mills and hot houses	Capacity of over 200 t per day
16) Refrigerators (without a raw material processing plant)	Capacity of over 10 t of cooling fluid in the system
17) Production of molasses	All projects
10. Textile, leather, wood and paper industry	
1) Plants for the production of paper and cardboard	All projects not listed under List I
2) Plants for the production of cellulose based products (chipboard, hardboard,MDF and plywood)	All projects
3) Plants for the refining, processing and cultivation of wood	All projects
4) Plants for the preliminary treatment of fibres, fabric and paper (washing, bleaching, mercerising, printing,chemical treatment) or colouring fibres or fabric	Capacity of up to 10 t per day*
5) Plants for tanning and processing leather	Capacity of up to 12 t per day*
11. Rubber industry	
1) Plants for the production and processing of rubber and india rubber	All projects
2) Plants for the vulcanization of natural or synthetic india rubber using sulphur or sulphur compounds	All projects
12. Infrastructural projects	
1) Urban development projects:	
- Commercial, business and sales centres;	- Total usable surface area of over 60,000 m2
- Stadiums with ancillary facilities;	- Capacity of over 25,000 visitors
- Above-ground or underground parking.	- Capacity of 1,000 places or more
2) Railway lines including ancillary facilities and devices	All projects not listed under List I
3) Lifts and cable-cars, except for ski-lifts	All projects
4) Airports	All projects not listed under List I

5) Regional roads including ancillary facilities, except for supporting contents of the road	All projects
6) Interior waterways whereupon the international or interstate navigational regime is not in force,as well as ports and docks located on an interior waterway whereupon the international or interstate navigational regime is not in force, including ports, and/or docks intended for the loading and unloading of passengers or goods.	All projects
7) Channels, embankments and other flood- defence facilities	All projects
8) Dams and other facilities intended to retain or accumulate water	All projects
9) Public water supply facilities- sources of water supply at water capture points, transport of potable water, water processing plants	All projects
10) Hydro-technical facilities for transferring water between river basins (except for the transfer of potable water by pipelines)	All projects
11) Transformer stations and switchgears	Voltage of 220 kV or more
12) Telecommunications transmitter radio- relay systems	Effective radiated power of over 250 W
13) Mobile telephony telecommunications facilities (radio base stations)	Effective radiated power of over 250 W
13. Tourism and recreation	
1) Ski paths, ski lifts and cable cars with ancillary facilities	The surface area of scope extends across over 5 ha
2) Marinas with ancillary facilities	The surface area of enclosed water surface exceeds 1,000 m2 or has at least 100 berths
3) Tourist settlements and hotel complexes	Capacity of 1500 beds or more
4) Purpose-built parks (fun, sports, recreation, golf terrains, etc.) including zoos and safari parks, with ancillary facilities	Total surface area of over 20 ha
14. Other projects	
1) Car tracks for races or testing motor vehicles with ancillary facilities	The surface area it extends over exceeds 10 ha
2) Plants for waste management:	
- Disposal and storage of hazardous waste;	- Capacity of up to 10 t per day*
- Disposal and storage of non-hazardous waste;	- Capacity of up to 50 t per day*
- Treatment of non-hazardous waste;	All projects not listed under List I
- Communal waste landfills;	- Capacity of up to 10 t per day or total capacity of up to 25,000 t*
- Waste treatment using mechanical and/or biological procedures	All projects
- Mobile waste treatment plants	All projects
3) Waste water processing plants:	
- Communal waste waters	All projects not listed under List I
- Technological waste waters	All projects
4) Plants and devices for testing	
- Internal combustion engines	- With a heat energy exceeding 10 MW
- Gas turbines or jet engines	- With a heat energy exceeding 100 MW
5) Plants for the production of artificial mineral fibres	All projects
6) Plants for the briquetting of coal	All projects
7) Plants for the production of concrete - concrete plants, including mobile plants	Capacity of over 30 t per hour
8) Plants for recycling, regeneration or destruction of explosive matter	All projects
9) Plants for disposal, processing or destruction of animal carcasses or animal based waste	Capacity of 1 t to 10 t per day*
10) Plants for tobacco processing	Capacity of over 10,000 t per year
11) Plants for the production of biogas	All projects
12) Graveyards and crematoriums	For settlements with populations of 40,000 or more
13) Facilities for supplying motor vehicles with fuel (gas stations)	With a storage capacity of:
	- over 100m3 in settlements

	- over 500 m3 outside settled areas
15. Projects listed under List I and List II being implemented within a protected natural asset and the protected vicinity of an immovable cultural asset, as well as other special purpose areas.	All projects
* Note: Item no. 22 from List I shall apply to projects marked separately in List II, with capacities exceeding those given under column no. 2 (Criteria for deciding on the need for drafting the environmental impact assessment study).	

16 ANNEX 4: LMP COMPLIANCE REPORT / FORMAT

For third parties engaging contracted workers

LABOR AND WORKING CONDITIONS COMPLIANCE REPORT – Contents

Assignment name:

Contract ref. No:

Contract period: Start date (M/D/Y) End date (M/D/Y)

Contractor/Service Supplier:

Reported period:

Date of report:

Signature of authorized person:

- Company employees[22] statistics:
- Total number of employee's gender disaggregated: Male_____Female_____
- Number of employees with an employment contract out of total number of employees
- Number of employees without an employment contract out of total number of employees
- Number of employees with access to social security, pension and health insurance out of total number of employees
- Number of employees who receives wages/salaries at least once a month out of total number of employees
- Number of employees who left the company in the reported period out of total number of employees
- Number of employees hired in the reported period
- Number of hours worked per employee (monthly average)
- Total overtime (monthly average per employee)
    - Number of injuries at work (in reporting period and cumulative since contract start) out of total nr. of employees
    - Number of fatalities at work (in reporting period and cumulative) out of total nr. of employees
    - Number of reported violence out of total nr. of employees
    - Number of reported harassment/ abuses out of total nr. of employees
- Availability of an accessible and functioning employee grievance mechanism (Y/N)
- Number of grievances raised with the GM (in reporting period and cumulative since contract start)
- Number of grievances resolved by GM (in reporting period and cumulative since contract start)
- Number of suits filed with regard to labor, employment and OHS issues
- Number of disputes brought to peaceful settlement/ voluntary arbitration procedure
- Number of visits by labor/ OHS inspection

1 The number of employees refers to the actual number/headcount on the date of the report.

[22] The employee is any natural person employed or engaged to work or perform service for the employer

2 The numbers imply the total number of incidents in the reported period.

- Project workers statistics:
  - Total number of project workers:
  - Number of project workers with an employment contract:
  - Number of project workers without an employment contract:
  - Number of project workers with access to social security, pension and health insurance verified by confirmation from registry

WORKING AND LABOR CONDITIONS SCREENING CHECKLIST			
	Terms and conditions	Yes / No	Notes
1	All project workers have an employment contract or engagement agreement in writing.	Yes ☐ No ☐	If "No" please specify and explain
2	All project workers are paid at least once a month	Yes ☐ No ☐	If "No" please specify and explain
3	All project workers worked 8 hours a day, 40 hours a week	Yes ☐ No ☐	If "No" please explain and specify the hours worked
4	All project workers had a regular daily and weekly rest	Yes ☐ No ☐	If "No" please specify and explain
5	Number of project workers were terminated from employment with termination in line with national labor law and ESS2	Yes ☐ No ☐	If "Yes" please specify number and explain conditions of termination
6	Number of project workers attended OHS related training programme	Yes ☐ No ☐	If "Yes" please specify number and explain
7	Project workers were granted leaves they are entitled to	Yes ☐ No ☐	If "Yes" Please specify the type and number of leaves
8	Project workers were involved in accidents at work resulting in injuries or fatalities	Yes ☐ No ☐	If "Yes" please specify and explain
9	Project workers reported on cases of discrimination, harassment, sexual harassment or non-compliance with law	Yes ☐ No ☐	If "Yes" please specify and explain
10	Project workers raised grievances or started voluntary arbitration / legal proceedings to settle a dispute	Yes ☐ No ☐	If "Yes" please specify and explain

	Terms and conditions	Yes / No	Notes
11	In the reported period there were some incidents on noncompliance with the LMP	Yes ☐ No ☐	If "Yes" please specify and explain
12	All project workers have read, signed and understood the Code of conduct including SEA/SH	Yes ☐ No ☐	If "No" please specify and explain

17 ANNEX 5: STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

This STATEMENT is to be submitted as part of bidding documents by prospective Service/Works providers

Date and place of issuance: _____

Name and address of the issuer: _____

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that[23]

We are aware of, and comply with, the standards laid down in World Bank Environment and Social Framework;

We are aware of, and comply with, the standards laid down in the Labor Management Procedures;

We are aware of, and comply with, the standards laid down in World Bank Group Health and Safety Guidelines;

We conform to all national laws* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;

We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;

We do not tolerate any form of child, forced or slavery work.

We prohibit any form of harassment, abuse and violence at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.

We confirm that a worker Grievance Mechanism is available

We confirm that no worker Grievance Mechanism is available but will be established by the time the contract is signed or will inform all contracted workers of the Grievance Mechanism available

We hereby state that should we be awarded with the contract; we shall adopt the Labor Management Procedures applicable to the project and incorporate them in our practice.

We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position:

*National Laws refers both to the Laws of Republic of Serbia and the domicile Law of the country in case the Bidder is foreign

[23] The Applicant should state the adequate commitment

18 ANNEX 6: ESMP / MITIGATION PLAN AND MONITORING PLAN / TEMPLATES

An ESMP consists of the set of mitigation, monitoring, and institutional measures to be taken during different phases of the Project - planning and design, construction, and operation , to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. The Borrower will (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements.

Contents of the ESMP:

INTRODUCTION

PROJECT DESCRIPTION

BASELINE DATA

- Population
- Health and Safety
- Geology and soil
- Climatic characteristics
- Seismology
- Air quality
- Waste
- Water resources
- Soil
- Flora and Fauna
- Noise
- Cultural heritage

SENSITIVE RECEPTORS

POTENTIAL IMPACT AND IMPACT ASSESSMENT

- Potential Impacts on the Air quality
- Potential Impacts on water (water protection and drainage) and soil
- Impact of generated waste streams
- Potential impacts on workers and community health and safety
- Potential socio-economic impacts
- Noise Impact
- Potential Impacts on the Flora and Fauna
- Potential Impacts on Cultural Heritage

CAPACITY BUILDING AND TRAININGS FOR USERS AND CONTRACTORS

PUBLIC CONSULTATION

ENVIRONMENTAL AND SOCIAL MITIGATION PLAN

ENVIRONMENTAL AND SOCIAL MONITORING PLAN

19 ANNEX 7: SAMPLE ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN FORMAT

I. SAMPLE – MITIGATION PLAN

PHASE	ISSUE	MITIGATION MEASURE	COST OF MITIGATION	RESPONSIBILITY	SUPERVISION OBSERVATION AND COMMENTS (to be filled out during supervision)
Project preparation / Design					
Construction					
Operation					

II. SAMPLE – MONITORING PLAN

Phase	What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored/ type of monitoring equipment?	When is the parameter to be monitored (frequency of measurement or continuous)?	Monitoring Cost What is the cost of equipment or contractor charges to perform monitoring?	Supervision observation and comments (to be filled out during supervision with reference to adequate measuring reports)
Project preparation / Design						
Construction						
Operation						

Table A1. Sample of completed ESMP - Mitigation Plan – small-scale construction / reconstruction

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
PROJECT PREPARATION / DESIGN	Bidding documents prepared with access to or use of the this ESMP in a translated version	Incorporate ESMPs provisions into the bidding documents and the contractor's contract for each sub-project (in the safeguard clauses of the technical specifications in the contracts and commitment to comply with tender requirements). All permits must be obtained prior to commencement of works.	MCTI/PIU	
	Impact on landscape and urban areas	Include provisions into the bidding documents in terms of subproject design according to local constructing (and cultural) practice (in respect of surrounding architecture)	MCTI/PIU Procurement specialist	
	Possible significant impact on people and infrastructure due to the fact that Serbia is prone to natural hazards such as floods, droughts, earthquakes and wildfires	The design of subprojects should include necessary structural measures for adaptation to climate and geophysical hazards considering safety risks to the communities (if applicable)	MCTI/PIU Procurement specialist	
	Small-scale impacts for spot widening in urban areas are expected (minor impacts on livelihood e.g. relocation of formal and informal kiosks or stands)	The expropriation process must be completed before construction works commence. RPF is prepared to address land acquisition, restriction on land use and involuntary resettlement in line with ESS5	MCTI/PIU	
	Assure compliance with relevant construction field legislation	Acquire construction permit Provide Water management guidelines if subprojects are executed near surface watercourses.	MCTI/PIU	
	Potential damages to the existing infrastructure and	Precisely situate the position of infrastructural facilities and underground installations at the location of works in cooperation with relevant institutions at all levels of authority.	Project Designer in cooperation with designers and	

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	facilities, especially underground installations (water supply and sewerage pipeline etc.) which cause obstacles in the provision of services to consumers.		representatives of relevant institutions of local authority.	
	Increased possibility of employment and gaining income in the local community.	Prioritize qualified local population in employment.	Construction contractor	
CONSTRUCTION / RECONSTRUCTION / REHABILITATION	General	All works must be carried out in line with the national legislation and ESF	MCTI/PIU	
	Disturbance of riverbed, water quality, ecosystem disturbance / sand and gravel borrow pit	Use existing borrow pits or buy material at licensed separations; requirement for official approval or valid operating license.	Construction contractor	To be specified in bid documents/conditions for selection of subcontractors for material supply
	Use of raw materials may pose an additional stress on the natural environment	Use raw materials (sand, gravel, stone) only from suppliers that have valid licenses issued by the relevant Institution.	Construction contractor	
	Soil / physical damages and soil degradation	Prevention of landslides and erosion by geotechnical inspections and measures	Construction contractor	
	Use of heavy-duty transport vehicles for materials on site can cause local traffic disturbances	Ensure local community is aware of any major transport requirements and disruptions to the regular traffic pattern. Adequately manage traffic and use postings to warn others of possible congestion.	Construction contractor	Temporary noise and dust generation

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Potential water and soil pollution from improper material storage, management and usage	Organize and cover material storage areas; isolate concrete, works from watercourse by using sealed formwork or covers; isolate wash down areas of concrete trucks and other equipment from watercourse by selecting areas for washing that are not free draining directly into watercourse	Construction contractor	
	Water and soil pollution from improper disposal of waste materials	Dispose waste material at location protected from washing out, should be marked in the site plan; if not on site, then at authorized landfill / depot. Storage of wastes according to international best practice (IFC EHS General Guideline) and national legislation. Apply additional measures for storage of hazardous wastes (such as use of secondary containment, access restriction, provision of PPE etc.) as necessary to prevent harm to construction staff, environment and public. Use and labeling of designated waste collection containers and storage areas for different kinds of wastes. Waste shall be managed and disposed/processed by licensed facilities only. Transport of waste in marked vehicles designed to the type of waste to minimize the risk of release of materials (hazardous and non-hazardous materials) and windblown debris. Training of drivers in handling and disposal of their cargo and the documentation of the transport describing the nature of the waste and its degree of hazard.	Construction contractor	
	Improper waste management may cause pollution of soil and groundwater or cause scattering by wind/animals and pose a health risk	Designated waste disposal areas will be allocated on site, including waste collection bins for smaller waste, and designated areas for bulkier waste. All waste, including construction debris and excavated materials will be regularly and timely transported off site and managed through an authorized agency or disposed of at a site that was officially designated by the local authorities. Waste collection and disposal pathways and sites will be identified for all major waste types expected from demolition and construction activities. Mineral construction and demolition wastes will be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and stored in appropriate containers.	Construction contractor	

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
		The records of waste disposal will be maintained as proof for proper management as designed. Whenever feasible the contractor will reuse and recycle appropriate and viable materials. Removed vegetation may best be composted on site, at a designated and managed area. All oily wastes will be separately collected, in bins which are leak- proof, and will be handled over to the authorized management and disposal company, receipts for which shall be kept.		
	Potential contamination of soil and water from improper maintenance and fueling of equipment	Apply best engineering practice in safe storage and handling of lubricants, fuel and solvents by secured storage; ensure proper loading of fuel and maintenance of equipment.	Construction contractor	
	Improper material storage and use may cause pollution of air, soil or water	Store all materials in original containers in adequate locations, which allow for leak-proof storage. Do not dispose of paint and other waste containers except through adequate handling procedures. Ensure workers are familiar with safety regulations and storage requirements for each product.	Construction contractor	
	Dust emissions from the site may impact air quality and pose a health threat to workers and neighbors	In case of disposal of dredged or excavated materials the debris shall be kept in controlled area and sprayed with water mist to reduce debris dust or covered. During pneumatic drilling/compaction dust shall be suppressed by ongoing water spraying and/or installing dust screen enclosures at site. The septic tank (in case of reconstruction of existing ones) installed at toilet should be enclosed in quite hermetic manner to avoid unpleasant smells. The surrounding environment (sidewalks, roads) shall be kept free of debris to minimize dust. There will be no open burning of construction / waste material at the site. There will be no excessive idling of construction vehicles at sites.	Construction Contractor	

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
		All materials will be supplied/transported in a manner which minimizes dust – including covered truck loads or closed off truck loads, with dust suppressing measures through water spraying. Cleaning vehicles and dust surfaces. Controlled loading and unloading of materials. Maintenance and attests of vehicles and machinery. Careful planning of routes and optimal loads.		
	Noise emissions from execution of works and movement of vehicles, construction and heavy mechanization	Keep roads in good condition. Notify the persons likely to be affected that work is about to start (by delivering information leaflets through letterboxes and/or by posting notices on notice boards). Work should be performed within normal working hours as much as possible (restricted times agreed to in the permit in respect with Serbian environmental legislation). Where this is impossible, the persons affected should be given special notification. Installing noise fences or similar structures, but these are often impracticable on roadwork sites, particularly for minor works of short duration. Use modern equipment wherever possible. Such equipment normally has better noise and vibration attenuation than older machines. Modern machinery also offers other benefits, such as reduced emissions, etc.	Construction Contractor	Temporary impact
	Works done on site may damage or permanently remove vegetation	Ensure no damage to vegetation occurs on site. In case of unavoidable damage, re-plant same species on site. Ensure visually the same appearance as before works started.	Construction Contractor	Temporary impact
	Potential damage of cultural property during the earth works	If archaeological sites or artefacts are found during the execution of construction and other works, the Contractor is to immediately and without delay, cease the works and inform IPCM, as well as take necessary measures as to not destroy or damage the site and preserve it the same way as it was found.	Construction Contractor	May cause delay in works. Construction supervision will be responsible on this project to prevent damage to cultural properties

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Workers safety	Provide workers with safety instructions and protective equipment; safe organization of bypassing traffic.	Construction Contractor	
	Community safety	Regulate traffic and pedestrian circulation in instances of increased risk; put up signs visualizing construction site boundaries.	Construction Contractor	
	The overall worker safety, and risks of unauthorized and undesired access to construction site	The inhabitants leaving close to construction site will be notified of the works, objectives and temporary expected negative impacts through appropriate communication; public meetings, etc. All legally required permits will be acquired for construction and/or rehabilitation. Contractor formally agrees that all work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment. Including organization of transport to minimize impacts on neighborhood and washing of vehicle tires to minimize spreading of debris on the roads. Workers will comply with international good practice (always hardhats, as needed masks and safety glasses, harnesses etc.). Workers also will be contracted respecting Serbian legislation, and the developer should respect all hygienic and safety rules conditioned by Serbian legislation. Life insurance of workers etc. will be provided by the employer. Technical security measures will be provided by the employer. Emergency safety kit should be placed close to the working place for intervention in case of accidents. Emergency contacts and numbers should be clearly posted on site. In case of contact with polluted waters of channels or sediments the workers should have safety clothes. Appropriate warning signposting of the working sites, visual barriers etc., will be used to prevent accidents.		

Phase	POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS	PROPOSED MITIGATION MEASURE	INSTITUTIONAL RESPONSIBILITY	COMMENTS
CONSTRUCTION / RECONSTRUCTION / REHABILITATION	Accidents during construction works may cause unintentional damage to the local infrastructure or power supply net	Ensure all adequate permits from local utilities have been obtained Ensure familiarity with networks in the proximity of the site In case of accidental disruption, immediately stop all works, notify proper authorities and emergency remediation of damaged network in line with the legal requirements	Construction Contractor	Temporary delay the Project implementation
OPERATION	Traffic/road safety could be impacted through subproject activities	Traffic management plans will be prepared in site-specific ESAs with specific measures that ensure safety of all traffic participants in the operational phase: • providing safe corridors and crossings for pedestrian movement, • installation of safety systems (sound and visual warnings), • introducing resting areas, • adjusting subproject working hours in accordance to needs of local population, specifically for sensitive sites like those near schools, hospitals, religious places, etc.	Construction Contractor	
	Improper solid waste collection and management may pose a threat to soil and water quality	Set up proper waste management procedures, including separation of waste into oily and hazardous waste, regular municipal and green waste which can be composted Ensure sufficient waste collection bins are available on site and that regular collection of wastes is ensured Isolate the space of collection been and ensure frequent sanitation from authorized entities.	Site operator and local waste management authority	
	Leaks and spills can pollute the surface and ground water	Have in place leak control action plan Provide leak proof bins for collection of oily wastes or equipment which can drip oil Ensure waste is adequately managed	Site operator and authorized waste management company	
	Sexual harassment is possible during construction and operation	The LMP includes measures to address such risks. Labor-related laws in Serbia comply with ILO conventions and are most regularly enforced The LMP will be a part of tendering documents making them binding for the contractor.	PIU	

Table A2. Sample of completed ESMP - Monitoring Plan – small-scale construction / reconstruction

PHASE	WHAT Parameter is to be monitored?	WHERE Is parameter to be monitored?	HOW Is parameter to be monitored?	WHEN Is parameter to be monitored (frequency)?	WHY Is parameter to be monitored?	RESPONSIBILITY
CONSTRUCTION / RECONSTRUCTION / REHABILITIATION	Truck load (sand and gravel) cover or wetted	Site location	Supervising engineer	Regular inspections during implementation of works, at least once per week	Health and safety requirements and enable as little disruption as possible	Supervising engineer Contractor
	Hours and routes of traffic operations	Site location	Supervising engineer	Regular inspections during implementation of works, at least once per week	Possible disruption to traffic	Supervising engineer Contractor
	Air pollution / dust	Site location and surroundings	Inspection and visual observation	Regular inspections during material delivery and construction	Health and safety requirements	Supervision Contractor
	Air and soil quality	Site location and surroundings	Visually inspect dust generation and control. Inspect presence and if any smell is emitted from the septic tank on site. Visually inspect presence of clandestine waste on site and in surroundings. Visually inspect for leaks of oily materials. Keep proof of waste being collected by authorized company. Visually inspect signs of open burning of wastes.	Continuously during construction works	To ensure works are conducted as per the utmost safety and environmental protection standards	Contractor/ implementation Supervisor/ review and reporting

PHASE	WHAT Parameter is to be monitored?	WHERE Is parameter to be monitored?	HOW Is parameter to be monitored?	WHEN Is parameter to be monitored (frequency)?	WHY Is parameter to be monitored?	RESPONSIBILITY
	Noise levels	Site location and surroundings	Ensure compliance with permit as per Serbian law. Measurements on complaints from neighbors.	Continuously during construction works	To ensure noise levels do not exceed limit values	Contractor/ implementation Supervisor/ review and reporting
	Water Quality	Site location and surroundings	Visually and upon complaints of increased turbidity, waste materials in small ponds, spills or leaks.	Continuously during construction works	To ensure there is no pollution caused to the waters	Contractor/ implementation Supervisor/ review and reporting
	Waste management	Site location and surroundings	Visually for separation of wastes, review receipts from the collection company, or notification from the commune on the proper site of the disposal	Continuously during construction works	To ensure there is no risk of environmental pollution caused by construction works	Contractor/ implementation Supervisor/ review and reporting
	Storage of paint, oil or other hazardous materials	Site location	Visually ensure proper storage, and no leaks or spills	Continuously during construction works	To minimize risks of pollution by hazardous materials	Contractor/ implementation Supervisor/ review and reporting
	Damage to vegetation or other specific habitats	Site location	Site log and visual inspection	Continuously during construction works	To ensure no damage is made to vegetation and specific habitats	Contractor/ implementation Supervisor/ review and reporting
	Work safety/protective equipment; organization of bypassing traffic	Site location	Inspection	Regular inspections during implementation of works		Supervising engineer Contractor

PHASE	WHAT Parameter is to be monitored?	WHERE Is parameter to be monitored?	HOW Is parameter to be monitored?	WHEN Is parameter to be monitored (frequency)?	WHY Is parameter to be monitored?	RESPONSIBILITY
	COVID related measures	Site location	Relevant information placed in visible places (provided in a language that workers understand)			
OPERATION	Condition of traffic signs; vehicle speed	Access roads to the construction site	Visual observation; speed detectors	Unannounced	Enable safe traffic flow	Traffic Police
	Waste collection and management	On site	Visually for separation of wastes, review receipts from the collection company, or notification from the municipality on the proper site of the disposal	Regularly during construction works	To ensure there is no risk of environmental pollution from improper waste management	Site operator
	Septic tank maintenance – clearing and adequate disposal of wastes	On site	Visually, or through measuring flow.	Regularly	To ensure that no contamination occurs from waste waters	Site operator
	Respecting of worker safety measures	On site	Visually, and ensure compliance with plan	Regularly	No life risk for workers and operators	Site operator
	Leaks and spills	On site	Visually, and ensure compliance with plan	Regularly	To ensure no leaks of oils or other materials pollute the environment	Site operator

20 ANNEX 8: ESMP CHECKLIST / TEMPLATE

<table>
<tr><th colspan="4">PART 1: INSTITUTIONAL & ADMINISTRATIVE</th></tr>
<tr><td>Country</td><td colspan="3">Serbia</td></tr>
<tr><td>Project title</td><td colspan="3">Local Infrastructure and Institutional Development</td></tr>
<tr><td>Subproject title</td><td colspan="3"></td></tr>
<tr><td>Scope of subproject activity</td><td colspan="3"></td></tr>
<tr><td rowspan="2">Institutional arrangements (name and contact details)</td><td colspan="3">Project management</td></tr>
<tr><td>WB
Republic of Serbia</td><td>Ministry of Construction, Transport, and Infrastructure</td><td>Local party / beneficiary (LSG) – Responsible for the preparation of the Checklist ESMP, public consultation of the Checklist ESMP and procurement of works and site supervision (the works and supervising contracts/appointments include tabular parts of the Checklist ESMP)
Contractor (name / contact details) – Responsible for the implementation of mitigation measures and monitoring according to Part 2 of Checklist ESMP</td></tr>
<tr><td rowspan="2">Implementation arrangements (name and contact details)</td><td colspan="3">Supervision</td></tr>
<tr><td>WB
Safeguards supervision (name)</td><td>Site supervisor – Responsible for contracted site; supervising engineer or responsible person appointed by the MCTI/PIU
Site engineer (name /contact details) – Responsible for implementation of the Checklist ESMP from constructor side</td><td>Local Inspectorate – Responsible for occasional visits to the site or upon public complaint
MCTI/PIU – Responsible for supervision of the overall project (name and contact details)</td></tr>
<tr><th colspan="4">SITE DESCRIPTION</th></tr>
<tr><td>Name of the site</td><td colspan="3"></td></tr>
<tr><td>Address of the site location</td><td colspan="3"></td></tr>
</table>

Who owns the land? Who uses the land (formal/informal)?	
Description of physical and natural environment, and of the socio-economic context around the site	
LEGISLATION	
Identify national & local legislation & permits that apply to project activity	
PUBLIC CONSULTATION	
Identify when / where the public consultation process took place	
INSTITUTIONAL CAPACITY BUILDING	
Will there be any capacity building?	[ ] N or [ ]Y If Yes, please provide capacity building information
ATTACHMENTS	
Attachment 1: Site plan / photo Attachment 2: Construction permit (as required) Attachment 3: Agreement for construction waste disposal Other permits/agreements – as required	

PART 2: ENVIRONMENTAL AND SOCIAL SCREENING			
Will the site activity include/involve any of the following?	Activity/Issue	Status	Triggered actions
	Building rehabilitation	[ ] Yes [ ] No	If 'Yes', see Sections A and E below
	Small-scale construction at the existing facilities	[ ] Yes [ ] No	If 'Yes', see Sections A and E below
	Wastewater management	[ ] Yes [ ] No	If 'Yes', see Sections B and E below
	Acquisition of land	[ ] Yes [ ] No	If 'Yes', activity is excluded
	Hazardous material management	[ ] Yes [ ] No	If 'Yes', see Section C below
	Traffic and pedestrian safety	[ ] Yes [ ] No	If 'Yes', see Section D below
	Social risks (i) occupational health and safety (OHS), (ii) labor and working conditions	[ ] Yes [ ] No	If 'Yes', see Section E below
	Historic building(s) and districts		
	Impacts on forests and/or protected areas		

PART 3: MITIGATION MEASURES CHECLIST				
ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST	RESPONSIBILITY	BUDGET
Section A. General Rehabilitation and /or construction activities	Notification	• The local construction and environment inspectorates and communities have been notified of upcoming activities. • The public has been notified of the works through appropriate notification in the media and/or at publicly accessible sites. • All legally required permits have been acquired prior commencement of the work.	Contractors	

	Air Quality	• All work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment. • • Use debris-chutes during interior demolition above the first floor • Keep demolition debris in controlled area and sprayed with water mist to reduce debris dust • Suppress dust during pneumatic drilling/wall destruction by ongoing water spraying and/or installing dust screen enclosures at site • Keep the surrounding environment (sidewalks, roads) free of debris to minimize dust • Do not allow open burning of construction / waste material at the site • Do not allow excessive idling of construction vehicles at sites		
	Noise	• Limit construction noise to daytime unless extreme urgency. Notify health workers on the works schedule if it deviates from standard working hours • Ensure that during operation, engine covers of generators, air compressors and other powered mechanical equipment are closed, and equipment placed as far away from residential areas as possible		
	Water Quality	• Establish appropriate erosion and sediment control measures such as e.g. hay bales and / or silt fences to prevent sediment from moving off site and causing excessive turbidity in nearby streams and rivers.		
	Waste management	• Identify waste collection and disposal pathways for all major waste types expected from demolition and construction activities • Separate mineral construction and demolition wastes from general refuse, organic, liquid and chemical wastes by on-site sorting and stored in appropriate containers. • Collect construction waste and dispose properly to the designated locations • Whenever feasible, reuse and recycle appropriate and viable materials (except asbestos) • Once works are finalized, no waste will be left on the site. Historical waste will be removed prior to works;		
Section B.	Water quality	• Ensure that the approach of handling sanitary wastewater and surface run off is approved by relevant authorities		

Wastewater management		• Ensure that before discharging into receiving waters, effluents from construction site are treated in order to meet the minimal quality criteria set out by national guidelines on effluent quality and wastewater treatment • Undertake regular monitoring of wastewater collection and discharge • Wash construction vehicles and machinery only in designated areas where runoff will not pollute natural surface water bodies.		
Section C. Hazardous materials	Hazardous waste management	• Temporarily store all hazardous or toxic substances on site in safe containers labeled with details of composition, properties, and handling information • Place containers of hazardous substances in leak-proof containers to prevent spillage and leaching • Transport waste by licensed operator to official landfills and dispose excess excavated material at sites agreed with the local authorities. • Do not use paints with toxic ingredients or solvents, or lead-based paints		
	Asbestos management	• If asbestos is located on the subproject site, mark it clearly as hazardous material • appropriately contain and seal asbestos to minimize exposure • Treat asbestos prior to removal (if removal is necessary) with a wetting agent to minimize asbestos dust • Handle and disposed asbestos using skilled & experienced professionals • If asbestos material is being stored temporarily, securely enclosed it inside closed containments and mark appropriately. Take security measures against unauthorized removal from the site • Do not reuse the removed asbestos		
Section D. Traffic and Pedestrian Safety	Direct or indirect impact to public traffic and pedestrians by construction activities	• Signpost, place warning signs, arrange barriers and traffic diversions so that the work site is clearly visible, and the public is warned of all potential hazards • Establish traffic management system and conduct staff training, especially for site access and near-site heavy traffic. • Provide safe passages and crossings for pedestrians where construction traffic interferes. • Adjust working hours to local traffic patterns, e.g. avoid major transport activities during rush hours or times of livestock movement • Actively manage traffic if required for safe and convenient passage for the public.	Contractors	

		• Ensure safe and continuous access to office facilities, shops and residences during renovation activities, if the buildings stay open for the public.		
Section E. Social and Labor Risk Management	Public relationship management	• Implement and update as needed the project-based Stakeholder Engagement Plan • Assign local focal points who is in charge of communication with and receiving requests/complaints from local population at the district and regional level • Consult local communities to identify and proactively manage potential conflicts between an external workforce and local people. • Raise local community awareness about sexually transmitted disease risks associated with the presence of an external workforce and include local communities in awareness activities. • Scheduled works beyond irrigation season to the extent possible in order to avoid/minimize service disruption. Inform local population about construction and work schedules, interruption of services, traffic detour routes and provisional bus routes, blasting and demolition, as appropriate. • Limit construction activities at night. When necessary, carefully schedule night work and inform affected community beforehand. • Properly mark and fence work site • No temporary storage of construction materials and waste occurs within cultivated land plots or any type of private property • Allocate areas for temporary storage of construction materials and waste so that free movement of traffic and pedestrians is not hindered.	PIU Contractors	
	Public Safety	• Ensure quarantine procedures for COVID-19 patients are maintained; • Share information on project activities and construction schedule prior to the start of works; • Notify local construction and environment inspectorates and communities on the upcoming activities • Notify public on the works through appropriate notification in the media and/or at publicly accessible sites (including the site of the works) • Acquire all legally required permits for construction and/or rehabilitation • Formally agree with Employer that all work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment.	PIU Contractors Healthcare facilities	

		• Appropriately signpost construction site to inform workers on key rules and regulations. • Inform the community about the established grievance mechanisms and share contact numbers of focal points		
	Labor issues management	• Include the ESMP Checklist into the bidding documents; • Ensure contractors and subcontractors comply with labor laws and standards and implement fair work practices; • Inform the contractors about the established Project grievance mechanisms and share contact numbers of focal points; • Instruct and train contractor assigned staff on SEA/SH monitoring, GM, no child/forced labor use, code of conduct and other labor requirements as per ESS2 and Serbian Labor Code; • To the extent possible, do not locate work camps in close proximity to local communities. • Locate and operate workers' camps in consultation with neighboring communities. • Recruit unskilled or semi-skilled workers from local communities to the extent possible. Where and when feasible, worker skills training, should be provided to enhance participation of local people. • Ensure all workers have written contracts describing terms and conditions of work; • Raise awareness of workers on overall relationship management with local population, establish the code of conduct in line with international practice and strictly enforce them, including the dismissal of workers and financial penalties of adequate scale. • Ensure neither child (up 18 years old) labor nor forced labor applied; and • Inform the workers about the established labor grievance mechanism and share contact numbers of focal points.	PIU Contractors	
	Worker health and safety requirements	• Ensure contractors and subcontractors comply with occupational safety local laws and requirements as per ESS 2; • Provide detailed information to the personnel about the activities foreseen in the project; • Conduct safety trainings carried out by specialists in different fields;	PIU Contractors Healthc are facilities	

		• Ensure that workers' PPE complies with international good practice (masks, gloves and safety glasses, for civil works also hardhats, harnesses and safety boots); • Provide adequate sanitary conditions (lavatories and washing areas) in the work site with adequate supplies of running water, soap, antiseptics and hand drying devices; • Secure working conditions meeting health and safety standards required by the Serbian legislation; • Ensure regular delivery and proper storage of goods, including samples, pharmaceuticals, disinfectant, reagents, other hazardous materials, PPEs, etc.; • Ensure protocols for regular disinfection of public rooms, wards, ICUs, equipment, tools, and waste are in place and followed; • Ensure handwashing and other sanitary stations are always supplied with clean water, soap, and disinfectant; • Ensure equipment such as autoclaves are in working order; and • Provide regular testing to healthcare workers routinely in contact with COVID-19 patients		

Section F. Affects forests and/or protected areas	Protection			
Section F. Historic building(s)	Cultural Heritage			

21 ANNEX 9: GRIEVANCE REGISTRATION FORM

Reference No:

Full Name

Note: you can remain anonymous if you prefer, or request not to disclose your identity to the third parties without your consent. In case of anonymous grievances, the decision will be disclosed at the Projects website https://www.mgsi.gov.rs/

First name _____

Last name _____

❑ I wish to raise my grievance anonymously

Gender of complainant (completion of this field is optional)

❑ Male ❑Female ❑Other _____ (please indicate)

❑ I request not to disclose my identity without my consent Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).

❑ By Post: Please provide mailing address: _____
_____
_____

❑ By Telephone: _____

❑ By E-mail _____

❑ I will follow up on the resolution at the website as I want to remain anonymous

Preferred language for communication ❑ Serbian ❑ Other (indicate)

Description of Incident or Grievance (What happened? Where did it happen? Who did it happen to? What is the result of the problem? Date of Incident/ Grievance)

❑ One-time incident/grievance (date _____)

❑ Happened more than once (how many times? _____)

❑ On-going (currently experiencing problem) What would you like to see happen to resolve the problem?

Signature: _____ Date: _____

Please return this form to: Ministry for Construction, Traffic and Information / PIU

Template for Grievance redress log

#	Priority	Date Feedback Received	Feedback Channel	Category of feedback	Summary Description	Anonymous (Yes/No)	Person assigned to address feedback	Status (resolved, pending, escalated)	Date of resolution of feedback	Communication about resolution
1										
2										
3										
4										
5										
6										

22 ANNEX 10: WB INTERIM NOTE: COVID-19 CONSIDERATIONS IN CIVIL WORKS PROJECTS

This note was issued on April 7, 2020 and includes links to the latest guidance as of this date (e.g. from WHO). Given the COVID-19 situation is rapidly evolving, when using this note it is important to check whether any updates to these external resources have been issued.

1. Introduction

The COVID-19 pandemic presents Governments with unprecedented challenges. Addressing COVID-19 related issues in both existing and new operations starts with recognizing that this is not business as usual and that circumstances require a highly adaptive responsive management design to avoid, minimize and manage what may be a rapidly evolving situation. In many cases, we will ask Borrowers to use reasonable efforts in the circumstances, recognizing that what may be possible today may be different next week (both positively, because more supplies and guidance may be available, and negatively, because the spread of the virus may have accelerated).

This interim note is intended to guide teams on how to support Borrowers in addressing key issues associated with COVID-19 and consolidates the advice that has already been provided over the past month. As such, it should be used in place of other guidance that has been provided to date. This note will be developed as the global situation and the Bank's learning (and that of others) develops. This is not a time when 'one size fits all'. More than ever, teams will need to work with Borrowers and projects to understand the activities being carried out and the risks that these activities may entail. Support will be needed in designing mitigation measures that are implementable in the context of the project. These measures will need to take into account the capacity of the Government agencies, availability of supplies, and the practical challenges of operations on-the-ground, including stakeholder engagement, supervision, and monitoring. In many circumstances, communication itself may be challenging, where face-to-face meetings are restricted or prohibited, and where IT solutions are limited or unreliable.

This note emphasizes the importance of careful scenario planning, clear procedures and protocols, management systems, effective communication and coordination, and the need for high levels of responsiveness in a changing environment. It recommends assessing the current situation of the project, putting in place mitigation measures to avoid or minimize the chance of infection, and planning what to do if either project workers become infected or the workforce includes workers from proximate communities affected by COVID-19. In many projects, measures to avoid or minimize will need to be implemented at the same time as dealing with sick workers and relations with the community, some of whom may also be ill or concerned about infection. Borrowers should understand the obligations that contractors have under their existing contracts (see Section 3), require contractors to put in place appropriate organizational structures (see Section 4) and develop procedures to address different aspects of COVID-19 (see Section 5).

2. Challenges with construction/civil works

Projects involving construction/civil works frequently involve a large workforce, together with suppliers and supporting functions and services. The workforce may comprise workers from international, national, regional, and local labor markets. They may need to live in on-site accommodation, lodge within communities close to work sites, or return to their homes after work. There may be different contractors permanently present on site, carrying out different activities, each with their dedicated workers. Supply chains may involve international, regional, and national suppliers facilitating the regular flow of goods and services to the project (including supplies essential to

the project such as fuel, food, and water). As such there will also be a regular flow of parties entering and exiting the site; support services, such as catering, cleaning services, equipment, material and supply deliveries, and specialist sub-contractors, brought in to deliver specific elements of the works.

Given the complexity and the concentrated number of workers, the potential for the spread of infectious disease in projects involving construction is extremely serious, as are the implications of such a spread. Projects may experience large numbers of the workforce becoming ill, which will strain the project's health facilities, have implications for local emergency and health services, and may jeopardize the progress of the construction work and the schedule of the project. Such impacts will be exacerbated where a workforce is large and/or the project is in remote or under-serviced areas. In such circumstances, relationships with the community can be strained or difficult and conflict can arise, particularly if people feel they are being exposed to disease by the project or are having to compete for scarce resources. The project must also exercise appropriate precautions against introducing the infection to local communities.

3. Does the construction contract cover this situation?

Given the unprecedented nature of the COVID-19 pandemic, it is unlikely that the existing construction/civil works contracts will cover all the things that a prudent contractor will need to do. Nevertheless, the first place for a Borrower to start is with the contract, determining what a contractor's existing obligations are, and how these relate to the current situation.

The obligations on health and safety will depend on what kind of contract exists (between the Borrower and the main contractor; between the main contractors and the sub-contractors). It will differ if the Borrower used the World Bank's standard procurement documents (SPDs) or used national bidding documents. If a FIDIC document has been used, there will be general provisions relating to health and safety. For example, the standard FIDIC, Conditions of Contract for Construction (Second Edition 2017), which contains no 'ESF enhancements', states (in the General Conditions, clause 6.7) that the Contractor will be required:

- to take all necessary precautions to maintain the health and safety of the Contractor's Personnel
- to appoint a health and safety officer at site, who will have the authority to issue directives to maintain the health and safety of all personnel authorized to enter and or work on the site and to take protective measures to prevent accidents
- to ensure, in collaboration with local health authorities, that medical staff, first aid facilities, sickbay, ambulance services and any other medical services specified are available at all times at the site and any accommodation
- to ensure suitable arrangements are made for all necessary welfare and hygiene requirements and the prevention of epidemics

These requirements have been enhanced through the introduction of the ESF into the SPDs (edition dated July 2019). The general FIDIC clause referred to above has been strengthened to reflect the requirements of the ESF. Beyond FIDIC's general requirements discussed above, the Bank's Particular Conditions include some relevant requirements on the Contractor, including:

- to provide health and safety training for Contractor's Personnel (which include project workers and all personnel that the Contractor uses on-site, including staff and other employees of the Contractor and Sub-contractors and any other personnel assisting the Contractor in carrying out project activities)

- to put in place workplace processes for Contractor's Personnel to report work situations that are not safe or healthy
- gives Contractor's Personnel the right to report work situations which they believe are not safe or healthy, and to remove themselves from a work situation which they have a reasonable justification to believe presents an imminent and serious danger to their life or health (with no reprisal for reporting or removing themselves)
- requires measures to be in place to avoid or minimize the spread of diseases including measures to avoid or minimize the transmission of communicable diseases that may be associated with the influx of temporary or permanent contract-related labor
- to provide an easily accessible grievance mechanism to raise workplace concerns

Where the contract form used is FIDIC, the Borrower (as the Employer) will be represented by the Engineer (also referred to in this note as the Supervising Engineer). The Engineer will be authorized to exercise authority specified in or necessarily implied from the construction contract. In such cases, the Engineer (through its staff on-site) will be the interface between the PCU and the Contractor. It is important therefore to understand the scope of the Engineer's responsibilities. It is also important to recognize that in the case of infectious diseases such as COVID-19, project management – through the Contractor/sub-contractor hierarchy – is only as effective as the weakest link. A thorough review of management procedures/plans as they will be implemented through the entire contractor hierarchy is important. Existing contracts provide the outline of this structure; they form the basis for the Borrower to understand how proposed mitigation measures will be designed and how adaptive management will be implemented and to start a conversation with the Contractor on measures to address COVID-19 in the project.

4. WHAT PLANNING SHOULD THE BORROWER BE DOING?

Task teams should work with Borrowers (PCUs) to confirm that projects (i) are taking adequate precautions to prevent or minimize an outbreak of COVID-19, and (ii) have identified what to do in the event of an outbreak. Suggestions on how to do this are set out below:

- The PCU, either directly or through the Supervising Engineer, should request details in writing from the Main Contractor of the measures being taken to address the risks. As stated in Section 3, the construction contract should include health and safety requirements, and these can be used as the basis for identification of, and requirements to implement COVID-19 specific measures. The measures may be presented as a contingency plan, as an extension of the existing project emergency and preparedness plan or as standalone procedures. The measures may be reflected in revisions to the project's health and safety manual. This request should be made in writing (following any relevant procedure set out in the contract between the Borrower and the contractor).
- In making the request, it may be helpful for the PCU to specify the areas that should be covered. This should include the items set out in Section 5 below and take into account current and relevant guidance provided by national authorities, WHO, and other organizations. See the list of references in the Annex to this note.
- The PCU should require the Contractor to convene regular meetings with the project health and safety specialists and medical staff (and where appropriate the local health authorities), and to take their advice in designing and implementing the agreed measures.
- Where possible, a senior person should be identified as a focal point to deal with COVID-19 issues. This can be a work supervisor or a health and safety specialist. This person can be responsible for coordinating the preparation of the site and making sure that the measures taken are communicated to the workers, those

entering the site, and the local community. It is also advisable to designate at least one back-up person; in case the focal point becomes ill; that person should be aware of the arrangements that are in place.

- On sites where there are several contractors and therefore (in effect) different workforces, the request should emphasize the importance of coordination and communication between the different parties. Where necessary, the PCU should request the main contractor to put in place a protocol for regular meetings of the different contractors, requiring each to appoint a designated staff member (with back up) to attend such meetings. If meetings cannot be held in person, they should be conducted using whatever IT is available. The effectiveness of mitigation measures will depend on the weakest implementation, and therefore all contractors and sub-contractors must understand the risks and the procedure to be followed.
- The PCU, either directly or through the Supervising Engineer, may provide support to projects in identifying appropriate mitigation measures, particularly where these will involve interface with local services, in particular health and emergency services. In many cases, the PCU can play a valuable role in connecting project representatives with local Government agencies and helping coordinate a strategic response, which takes into account the availability of resources. To be most effective, projects should consult and coordinate with relevant Government agencies and other projects in the vicinity.
- Workers should be encouraged to use the existing project grievance mechanism to report concerns relating to COVID-19, preparations being made by the project to address COVID-19 related issues, how procedures are being implemented, and concerns about the health of their co-workers and other staff.

5. What should the contractor cover?

The Contractor should identify measures to address the COVID-19 situation. What will be possible will depend on the context of the project: the location, existing project resources, availability of supplies, the capacity of local emergency/health services, the extent to which the virus already exists in the area. A systematic approach to planning, recognizing the challenges associated with rapidly changing circumstances, will help the project put in place the best measures possible to address the situation. As discussed above, measures to address COVID-19 may be presented in different ways (as a contingency plan, as an extension of the existing project emergency and preparedness plan or as standalone procedures). The PCUs and contractors should refer to guidance issued by relevant authorities, both national and international (e.g. WHO), which is regularly updated (see sample References and links provided in the references).

Addressing COVID-19 at a project site goes beyond occupational health and safety and is a broader project issue which will require the involvement of different members of a project management team. In many cases, the most effective approach will be to establish procedures to address the issues and then to ensure that these procedures are implemented systematically. Where appropriate given the project context, a designated team should be established to address COVID-19 issues, including PCU representatives, the Supervising Engineer, management (e.g. the project manager) of the contractor and sub-contractors, security, and medical and OHS professionals. Procedures should be clear and straightforward, improved as necessary, and supervised and monitored by the COVID-19 focal point(s). Procedures should be documented, distributed to all contractors, and discussed at regular meetings to facilitate adaptive management. The issues set out below include a number that represents expected good workplace management but is especially pertinent in preparing the project response to COVID-19.

(a) Assessing workforce characteristics

Many construction sites will have a mix of workers e.g. workers from the local communities; workers from a different part of the country; workers from another country. Workers will be employed under different terms and conditions and be accommodated in different ways. Assessing these different aspects of the workforce will help in identifying appropriate mitigation measures:

- The Contractor should prepare a detailed profile of the project workforce, key work activities, schedule for carrying out such activities, different durations of contract, and rotations (e.g. 4 weeks on, 4 weeks off).
- This should include a breakdown of workers who reside at home (i.e. workers from the community), workers who lodge within the local community and workers in on-site accommodation. Where possible, it should also identify workers that may be more at risk from COVID-19, those with underlying health issues, or who may be otherwise at risk.
- Consideration should be given to ways in which to minimize movement in and out of the project site. This could include lengthening the term of existing contracts, to avoid workers returning home to affected areas, or returning to site from affected areas.
- Workers accommodated on-site should be required to minimize contact with people near the site, and in certain cases be prohibited from leaving the site for the duration of their contract, so that contact with local communities is avoided.
- Consideration should be given to requiring workers lodging in the local community to move to site accommodation (subject to availability) where they would be subject to the same restrictions.
- Workers from local communities, who return home daily, weekly or monthly, will be more difficult to manage. They should be subject to health checks at the entry to the site (as set out above) and at some point, circumstances may make it necessary to require them to either use accommodation on-site or not to come to work.

(b) Entry/exit to the worksite and checks on commencement of work

Entry/exit to the work site should be controlled and documented for both workers and other parties, including support staff and suppliers. Possible measures may include:

- Establishing a system for controlling entry/exit to the site, securing the boundaries of the site, and establishing designating entry/exit points (if they do not already exist). Entry/exit to the site should be documented.
- Training security staff on the (enhanced) system that has been put in place for securing the site and controlling entry and exit, the behaviors required of them in enforcing such system, and any COVID -19 specific considerations.
- Training staff who will be monitoring entry to the site, providing them with the resources they need to document entry of workers, conducting temperature checks, and recording details of any workers that are denied entry.
- Confirming that workers are fit for work before they enter the site or start work. While procedures should already be in place for this, special attention should be paid to workers with underlying health issues or who may be otherwise at risk. Consideration should be given to the demobilization of staff with underlying health issues.
- Checking and recording temperatures of workers and other people entering the site or requiring self-reporting before or on entering the site.

- Providing daily briefings to workers before commencing work, focusing on COVID-19 specific considerations including cough etiquette, hand hygiene, and distancing measures, using demonstrations and participatory methods.
- During the daily briefings, reminding workers to self-monitor for possible symptoms (fever, cough) and to report to their supervisor or the COVID-19 focal point if they have symptoms or are feeling unwell.
- Preventing a worker from an affected area or who has been in contact with an infected person from returning to the site for 14 days or (if that is not possible) isolating such workers for 14 days.
- Preventing a sick worker from entering the site, referring them to local health facilities if necessary, or requiring them to isolate at home for 14 days.

(c) General hygiene

Requirements on general hygiene should be communicated and monitored, to include:

- Training workers and staff on-site on the signs and symptoms of COVID-19, how it is spread, how to protect themselves (including regular handwashing and social distancing), and what to do if they or other people have symptoms (for further information see WHO COVID-19 advice for the public).
- Placing posters and signs around the site, with images and text in local languages.
- Ensuring handwashing facilities supplied with soap, disposable paper towels and closed waste bins exist at key places throughout the site, including at entrances/exits to work areas; where there is a toilet, canteen or food distribution, or provision of drinking water; in worker accommodation; at waste stations; at stores; and in common spaces. Where handwashing facilities do not exist or are not adequate, arrangements should be made to set them up. Alcohol-based sanitizer (if available, 60-95% alcohol) can also be used.
- Review worker accommodations, and assess them in light of the requirements set out in IFC/EBRD guidance on Workers' Accommodation: processes and standards, which provides valuable guidance as to good practice for accommodation.
- Setting aside part of worker accommodation for precautionary self-quarantine as well as more formal isolation of staff who may be infected (see paragraph (f)).

(d) Cleaning and waste disposal

Conduct regular and thorough cleaning of all site facilities, including offices, accommodation, canteens, common spaces. Review cleaning protocols for key construction equipment (particularly if it is being operated by different workers). This should include:

- Providing cleaning staff with adequate cleaning equipment, materials, and disinfectant.
- Review general cleaning systems, training cleaning staff on appropriate cleaning procedures, and appropriate frequency in high use or high-risk areas.
- Where it is anticipated that cleaners will be required to clean areas that have been or are suspected to have been contaminated with COVID-19, providing them with appropriate PPE: gowns or aprons, gloves, eye protection (masks, goggles or face screens) and boots or closed work shoes. If appropriate PPE is not available, cleaners should be provided with the best available alternatives.

- Training cleaners in proper hygiene (including handwashing) before, during, and after conducting cleaning activities; how to safely use PPE (where required); in waste control (including for used PPE and cleaning materials).
- Any medical waste produced during the care of ill workers should be collected safely in designated containers or bags and treated and disposed of following relevant requirements (e.g., national, WHO). If incineration of medical wastes are necessary, this should be for a limited duration as possible. Waste should be reduced and segregated, so that only the smallest amount of waste is incinerated (for further information see WHO interim guidance on water, sanitation, and waste management for COVID-19).

(e) Adjusting work practices

Consider changes to work processes and timings to reduce or minimize contact between workers, recognizing that this is likely to impact the project schedule. Such measures could include:

- Decreasing the size of the work teams.
- Limiting the number of workers on-site at any one time.
- Changing to a 24-hour work rotation.
- Adapting or redesigning work processes for specific work activities and tasks to enable social distancing, and training workers on these processes.
- Continuing with the usual safety training, adding COVID-19 specific considerations. Training should include the proper use of normal PPE. While as of the date of this note, the general advice is that construction workers do not require COVID-19 specific PPE, this should be kept under review (for further information see WHO interim guidance on the rational use of personal protective equipment (PPE) for COVID-19).
- Reviewing work methods to reduce the use of construction PPE, in case of supplies become scarce or the PPE is needed for medical workers or cleaners. This could include, e.g. trying to reduce the need for dust masks by checking that water sprinkling systems are in good working order and are maintained or reducing the speed limit for haul trucks.
- Arranging (where possible) for work breaks to be taken in outdoor areas within the site.
- Consider changing canteen layouts and phasing mealtimes to allow for social distancing and phasing access to and/or temporarily restricting access to leisure facilities that may exist on-site, including gyms.
- At some point, it may be necessary to review the overall project schedule, to assess the extent to which it needs to be adjusted (or work stopped completely) to reflect prudent work practices, potential exposure of both workers and the community and availability of supplies, taking into account Government advice and instructions.

(b) Project medical services

Consider whether existing project medical services are adequate, taking into account existing infrastructure (size of clinic/medical post, number of beds, isolation facilities), medical staff, equipment and supplies, procedures, and training. Where these are not adequate, consider upgrading services where possible, including:

- Expanding medical infrastructure and preparing areas where patients can be isolated. Guidance on setting up isolation facilities is set out in WHO interim guidance on considerations for quarantine of individuals in the

context of containment for COVID-19). Isolation facilities should be located away from worker accommodation and ongoing work activities. Where possible, workers should be provided with a single well-ventilated room (open windows and door). Where this is not possible, isolation facilities should allow at least 1 meter between workers in the same room, separating workers with curtains, if possible. Sick workers should limit their movements, avoiding common areas and facilities, and not be allowed visitors until they have been clear of symptoms for 14 days. If they need to use common areas and facilities (e.g. kitchens or canteens), they should only do so when unaffected workers are not present, and the area/facilities should be cleaned before and after such use.

- Training medical staff, which should include current WHO advise on COVID-19 and recommendations on the specifics of COVID-19. Where COVID-19 infection is suspected, medical providers on-site should follow WHO interim guidance on infection prevention and control during health care when novel coronavirus (nCoV) infection is suspected.
- Training medical staff in testing, if testing is available.
- Assessing the current stock of equipment, supplies, and medicines on-site, and obtaining additional stock, where required and possible. This could include medical PPE, such as gowns, aprons, medical masks, gloves, and eye protection. Refer to WHO guidance as to what is advised (for further information see WHO interim guidance on the rational use of personal protective equipment (PPE) for COVID-19).
- If PPE items are unavailable due to worldwide shortages, medical staff on the project should agree on alternatives and try to procure them. Alternatives that may commonly be found on construction sites include dust masks, construction gloves, and eye goggles. While these items are not recommended, they should be used as a last resort if no medical PPE is available.
- Ventilators will not normally be available on worksites, and in any event, intubation should only be conducted by experienced medical staff. If a worker is extremely ill and unable to breathe properly on his or her own, they should be referred immediately to the local hospital (see (g) below).
- Review existing methods for dealing with medical waste, including systems for storage and disposal (for further information see WHO interim guidance on water, sanitation and waste management for COVID-19, and WHO guidance on the safe management of wastes from health-care activities).

(c) Local medical and other services

Given the limited scope of project medical services, the project may need to refer sick workers to local medical services. Preparation for this includes:

- Obtaining information as to the resources and capacity of local medical services (e.g. number of beds, availability of trained staff, and essential supplies).
- Conducting preliminary discussions with specific medical facilities, to agree on what should be done in the event of ill workers needing to be referred to.
- Considering ways in which the project may be able to support local medical services in preparing for members of the community becoming ill, recognizing that the elderly or those with pre-existing medical conditions require additional support to access appropriate treatment if they become ill.
- Clarifying how an ill worker will be transported to the medical facility and checking the availability of such transportation.

- Establishing an agreed protocol for communications with local emergency/medical services.
- Agreeing with the local medical services/specific medical facilities the scope of services to be provided, the procedure for in-take of patients, and (where relevant) any costs or payments that may be involved.
- A procedure should also be prepared so that project management knows what to do in the unfortunate event that a worker ill with COVID-19 dies. While normal project procedures will continue to apply, COVID-19 may raise other issues because of the infectious nature of the disease. The project should liaise with the relevant local authorities to coordinate what should be done, including any reporting or other requirements under national law.

(d) Instances or spread of the virus

WHO provides detailed advice on what should be done to treat a person who becomes sick or displays symptoms that could be associated with the COVID-19 virus (for further information see WHO interim guidance on infection prevention and control during health care when novel coronavirus (nCoV) infection is suspected). The project should set out risk-based procedures to be followed, with differentiated approaches based on case severity (mild, moderate, severe, critical) and risk factors (such as age, hypertension, diabetes) (for further information see WHO interim guidance on operational considerations for case management of COVID-19 in health facility and community). These may include the following:

- If a worker has symptoms of COVID-19 (e.g. fever, dry cough, fatigue) the worker should be removed immediately from work activities and isolated on site.
- If testing is available on site, the worker should be tested on-site. If a test is not available at the site, the worker should be transported to the local health facilities to be tested (if testing is available).
- If the test is positive for COVID-19 or no testing is available, the worker should continue to be isolated. This will either be at the worksite or home. If at home, the worker should be transported to their home in transportation provided by the project.
- Extensive cleaning procedures with high-alcohol content disinfectants should be undertaken in the area where the worker was present, before any further work being undertaken in that area. Tools used by the worker should be cleaned using disinfectant and PPE disposed of.
- Co-workers (i.e. workers with whom the sick worker was in close contact) should be required to stop work, and be required to quarantine themselves for 14 days, even if they have no symptoms.
- Family and other close contacts of the worker should be required to quarantine themselves for 14 days, even if they have no symptoms.
- If a case of COVID-19 is confirmed in a worker on the site, visitors should be restricted from entering the site and working groups should be isolated from each other as much as possible.
- If workers live at home and have a family member who has a confirmed or suspected case of COVID-19, the worker should quarantine themselves and not be allowed on the project site for 14 days, even if they have no symptoms.
- Workers should continue to be paid throughout periods of illness, isolation, or quarantine, or if they are required to stop work, following national law.

- Medical care (whether on-site or in a local hospital or clinic) required by a worker should be paid for by the employer.

(e) Continuity of supplies and project activities

Where COVID-19 occurs, either in the project site or the community, access to the project site may be restricted, and the movement of supplies may be affected.

- Identify back-up individuals, in case key people within the project management team (PCU, Supervising Engineer, Contractor, sub-contractors) become ill, and communicate who these are so that people are aware of the arrangements that have been put in place.
- Document procedures, so that people know what they are, and are not reliant on one person's knowledge.
- Understand the supply chain for necessary supplies of energy, water, food, medical supplies, and cleaning equipment, consider how it could be impacted, and what alternatives are available. Early pro-active review of international, regional, and national supply chains, especially for those supplies that are critical for the project, is important (e.g. fuel, food, medical, cleaning, and other essential supplies). Planning for a 1-2 month interruption of critical goods may be appropriate for projects in more remote areas.
- Place orders for/procure critical supplies. If not available, consider alternatives (where feasible).
- Consider existing security arrangements, and whether these will be adequate in the event of an interruption to normal project operations.
- Consider at what point it may become necessary for the project to significantly reduce activities or to stop work completely, and what should be done to prepare for this, and to re-start work when it becomes possible or feasible.

(f) Training and communication with workers

Workers need to be provided with regular opportunities to understand their situation, and how they can best protect themselves, their families, and the community. They should be made aware of the procedures that have been put in place by the project, and their responsibilities in implementing them.

- It is important to be aware that in communities close to the site and amongst workers without access to project management, social media is likely to be a major source of information. This raises the importance of regular information and engagement with workers (e.g. through training, town halls, toolboxes) that emphasize what management is doing to deal with the risks of COVID-19. Allaying fear is an important aspect of workforce peace of mind and business continuity. Workers should be allowed to ask questions, express their concerns, and make suggestions.
- Training of workers should be conducted regularly, as discussed in the sections above, providing workers with a clear understanding of how they are expected to behave and carry out their work duties.
- Training should address issues of discrimination or prejudice if a worker becomes ill and provide an understanding of the trajectory of the virus, where workers return to work.
- Training should cover all issues that would normally be required on the worksite, including the use of safety procedures, use of construction PPE, occupational health and safety issues, and code of conduct, taking into account that work practices may have been adjusted.

- Communications should be clear, based on fact, and designed to be easily understood by workers, for example by displaying posters on hand washing and social distancing, and what to do if a worker displays symptoms.

(g) Communication and contact with the community

Relations with the community should be carefully managed, with a focus on measures that are being implemented to safeguard both workers and the community. The community may be concerned about the presence of non-local workers, or the risks posed to the community by a local worker's presence on the project site. The project should set out risk-based procedures to be followed, which may reflect WHO guidance (for further information see WHO Risk Communication and Community Engagement (RCCE) Action Plan Guidance COVID-19 Preparedness and Response). The following good practice should be considered:

- Communications should be clear, regular, based on fact, and designed to be easily understood by community members.
- Communications should utilize available means. In most cases, face-to-face meetings with the community or community representatives will not be possible. Other forms of communication should be used; posters, pamphlets, radio, text messages, electronic meetings. The means used should take into account the ability of different members of the community to access them, to make sure that communication reaches these groups.
- The community should be made aware of procedures put in place at the site to address issues related to COVID-19. This should include all measures being implemented to limit or prohibit contact between workers and the community. These need to be communicated clearly, as some measures will have financial implications for the community (e.g. if workers are paying for lodging or using local facilities). The community should be made aware of the procedure for entry/exit to the site, the training being given to workers, and the procedure that will be followed by the project if a worker becomes sick.
- If project representatives, contractors, or workers are interacting with the community, they should practice social distancing and follow other COVID-19 guidance issued by relevant authorities, both national and international (e.g. WHO).

6. Emergency powers and legislation

Many Borrowers are enacting emergency legislation. The scope of such legislation, and the way it interacts with other legal requirements, will vary from country to country. Such legislation can cover a range of issues, for example:

- Declaring a public health emergency
- Authorizing the use of police or military in certain activities (e.g. enforcing curfews or restrictions on movement)
- Ordering certain categories of employees to work longer hours, not to take holiday or not to leave their job (e.g. health workers)
- Ordering non-essential workers to stay at home, for reduced pay or compulsory holiday

Except in exceptional circumstances (after referral to the World Bank's Operations Environmental and Social Review Committee (OESRC)), projects will need to follow emergency legislation to the extent that these are mandatory or advisable. The Borrower must understand how mandatory requirements of the legislation will impact the project. Teams should require Borrowers (and in turn, Borrowers should request Contractors) to consider how the emergency legislation will impact the obligations of the Borrower set out in the legal agreement and the obligations set out in the construction contracts. Where the legislation requires a material departure from existing contractual obligations, this should be documented, setting out the relevant provisions.

23 ANNEX 11: ANNUAL E&S REPORT / TEMPLATE

1. Contractor's Details
Company Name:
Company Address:
Country:
Town/Location:
Company authorized representative Title: Date:
Contact Details Telephone: Mobile: E-mail:

2. General		
Is the project materially compliant with all relevant WB Safeguard policies (taking account of agreed action plans, exemptions or derogations)?	Yes ❑ No ❑	If No, please provide details of any material non-compliances:
Is the project materially compliant with all applicable environmental and social laws and regulations?	Yes ❑ No ❑	If No, please provide details of any material non-compliances:
Have there been any accidents or incidents that have caused damage to the environment, brought about injuries or fatalities, affected project labor or local communities, affected cultural property, or created liabilities for the company?	Yes ❑ No ❑	If yes, please describe, including details of actions to repair and prevent reoccurrence:
Have there been any changes to environment, social, labor or health and safety laws or regulations that	Yes ❑ No ❑	If yes, please describe:

2. General		
have materially affected the company?		
How many inspections did you receive from the environmental authorities during the reporting period?	Number:	Please provide details of these visits, including number and nature of any violations found
How many inspections did you receive from the health and safety authorities during the reporting period?	Number:	Please provide details of these visits, including number and nature of any violations found
How many inspections did you receive from the labor authorities during the reporting period?	Number:	Please provide details of these visits, including number and nature of any violations found:
Have these visits resulted in any penalties, fines and/or corrective action plans?	Yes ❑ No ❑	If yes, please describe, including status of implementing corrective actions to address any violations found:
Has the Company engaged any Applicants for project-related work in the reporting period?	Yes ❑ No ❑	If yes, please state for which types of work, and how the company has monitored the compliance of Applicants with WB Safeguard Policies and the Environmental and Social Management Plan:
Were any of the violations stated above the responsibility of Applicants?	Yes ❑ No ❑	If yes, please provide details, including how the Company is ensuring that corrective actions are implemented by the Applicant?
Have any operations been reduced, temporarily suspended or closed down due to environmental, health, safety or labor reasons?	Yes ❑ No ❑	If yes, please describe:
Please describe any environment or social programmes, initiatives or subprojects undertaking during the reporting period to improve the company's environmental or social performance and/or management systems: Please indicate the level of associated expenditure (capital expenditure and operating expenditure), and whether this relates to the requirements of the Environmental and Social Management Plan, or to any other initiative:		

3. Status of the Environmental and Social Management Plan
Please provide information on the status of each item in the Environmental and Social Management Plan (ESMP) agreed with WB. If the ESMP has been updated during the reporting period, please attach a copy of the new plan.

4. Environmental Monitoring Data	
Please provide the name and contact details for your environmental manager:	

5. Resource Usage and Product Output			
Parameter	Value	Unit	Comments[24]
Fuels used			
Oil (diesel)		l	
Gas		m3	
Coal		t	
Lignite		t	
Grid Electricity		KW	
Heat Purchased			
Feedstocks and raw materials consumed			
Name 1			
Name 2			
Product output			
Product 1			
Product 2			

[24] In addition to any other relevant comments, please indicate whether the measurements reported apply to all or only some process operations at the facility. Please include any relevant fuel quality parameters (e.g. calorific value)

6. Human Resources Management			
Please provide the name and contact details for your Human Resources manager:			
	Total	Recruited in this reporting period	Dismissed in this reporting period
Number of direct employees:			
Number of contracted workers:			

Were there any collective redundancies during the reporting period?	Yes ❑ No ❑	If yes, please describe the redundancy plan, including reasons for redundancies, number of workers involved, how they were selected, consultation undertaken, and measures to mitigate the effects of redundancy:
Are there any planned redundancies to the workforce in the next year?	Yes ❑ No ❑	If yes, please describe the redundancy plan, including reasons for redundancies, number of workers involved, and selection and consultation process:
Were there any changes in trade union representation at Company facilities during the reporting period?	Yes ❑ No ❑	If yes, please provide details, and summarise engagement with trade unions during reporting period:
Were there any other worker representatives (e.g. in the absence of a trade union)?	Yes ❑ No ❑	If yes, please provide details and summarise engagement with them during reporting period:
Were there any changes in the status of Collective Agreements?	Yes ❑ No ❑	If yes, please provide details:
Have employees raised any grievances with the project during the reporting period?	Yes ❑ No ❑	If yes, please state how many, split by gender, summarise the issues raised in grievances by male and female staff and explain how the Company has addressed them:
Have employees raised any complaints about harassment or bullying during the reporting period?	Yes ❑ No ❑	If yes, please state how many, split by gender, summarise the issues raised by male and female staff and explain how the Company has addressed them:

6. Human Resources Management		
Have there been any strikes or other collective disputes related to labor and working conditions at the Company in the reporting period?	Yes ❑ No ❑	If yes, please summarise nature of, and reasons for, disputes and explain how they were resolved
Have there been any court cases related to labor issues during the reporting period?	Yes ❑ No ❑	If yes, please summarise the issues contested and outcome:
Have there been any changes to the following policies or terms and conditions during the reporting period in any of the following areas: • Union recognition • Collective Agreement • Non-discrimination and equal opportunity • Equal pay for equal work • Gender Equality • Bullying and harassment, including sexual harassment • Employment of young persons under age 18 • Wages (wage level, normal and overtime) • Overtime • Working hours • Flexible working / work-life balance • Grievance mechanism for workers • Health & safety	Yes ❑ No ❑	If yes, please give details, including of any new initiatives:

7. Occupational Health and Safety Data					
Please provide the name and contact details for your Health and Safety manager:					
	Direct employees	Contracted workers		Direct employees	Contracted workers
Number of man-hours worked this reporting period:			Number of Fatalities[25]:		
Budget spent on OHS in this period (total amount and currency):	RSD		Number of disabling injuries:		
OHS training provided in this period in person-days:			Number of Lost Time Incidents (including vehicular)[26]:		
Number of lost workdays[27] resulting from incidents:			Number of cases of occupational disease:		
Number of sick days:					
Accident causes (falling, heavy loads, struck by object, contact with energy source etc.):					
Please provide details of any fatalities or major accidents that have not previously been reported to WB, including total compensation paid due to occupational injury or illness (amount and currency):					
Please summarise any emergency prevention and response training that has been provided for company personnel during the report period:					

[25] If you have not already done so, please provide a separate report detailing the circumstances of each fatality.

[26] Incapacity to work for at least one full workday beyond the day on which the accident or illness occurred.

[27] Lost workdays are the number of workdays (consecutive or not) beyond the date of injury or onset of illness that the employee was away from work or limited to restricted work activity because of an occupational injury or illness.

8. Stakeholder Engagement	
Please provide the name and contact details for your external relations or community engagement manager:	

Please provide information on the implementation of the stakeholder engagement plan agreed with WB and summarise interaction with stakeholders during the reporting period, including:

- meeting or other initiatives to engage with members of the public or public organisations during the report period,
- information provided to members of the public and other stakeholders during the report period relating to environmental, social or safety issues
- coverage in media,
- and interaction with any environmental or other community groups.

Please describe any changes to the Stakeholder Engagement Plan agreed with WB:

9. Grievance mechanism		
How many complaints or grievances did the project receive from members of the public or civil society organisations during the reporting period? Please split by stakeholder group. Summarise any issues raised in the complaints or grievances and explain how they were resolved:		

10. Community Interaction and Development
Please summarise any social or community development initiatives undertaken by the company during the reporting period, and any associated expenditure:

24 ANNEX 12: REPORT ON PUBLIC CONSULTATIONS

To be added