

INTEGRATED SAFEGUARDS DATA SHEET

APPRAISAL STAGE

Report No.: ISDSA1059

Date ISDS Prepared/Updated: 28-Apr-2015

Date ISDS Approved/Disclosed: 30-Apr-2015

I. BASIC INFORMATION

1. Basic Project Data

Country:	Serbia	Project ID:	P152104
Project Name:	Serbia Competitiveness and Jobs (P152104)		
Task Team Leader(s):	Thomas Edward Haven,Dusko Vasiljevic		
Estimated Appraisal Date:	18-May-2015	Estimated Board Date:	29-Jul-2015
Managing Unit:	GTCDR	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (30%), General industry and trade sector (70%)		
Theme(s):	Micro, Small and Medium Enterprise support (15%), e-Services (5%), Export development and competitiveness (30%), Technology diffusion (20%), Improving labor markets (30%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	499.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			399.00
International Bank for Reconstruction and Development			100.00
Total			499.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The PDO is to improve the effectiveness and coordination of selected public programs to alleviate constraints to competitiveness and jobs, including investment and export promotion and innovation, as well as active labor market programs, labor intermediation, and activation of social assistance

beneficiaries.

3. Project Description

The Project consists of the following components:

Component 1: Policy planning, monitoring, and coordination. This component supports: a) the creation of an inter-ministerial policy planning, monitoring, and coordination (PPMC) framework (in support of competitiveness and jobs reforms), led by the Public Policy Secretariat and with participation of the Ministry of Economy, Ministry of Education, Science, and Technological Development (science and innovation secretariat), and National Employment Service (in cooperation with the Ministry of Labor, Employment, Veteran, and Social Affairs); b) the development individual planning and monitoring frameworks at the ministry level (to feed into the inter-ministerial PPMC system), and c) the piloting of the PPMC system.

Component 2: Investment and export promotion. This component supports a reform agenda led by the Ministry of Economy to restructure and improve the functioning of its investment and export promotion programs. This includes: a) the development and adoption of a strategic framework and action plan for investment and export promotion, including identification of target sectors, MoE development agency reform/ restructuring, and new or improved services, and b) the implementation, monitoring, and updating of the action plan.

Component 3: Innovation. The component will: a) support enterprise innovation; b) facilitate technology transfer and commercialization activities; and c) design public research sector reforms.

Component 4: Labor. The component will: a) enhance the capacity of the National Employment Service; b) improve the effectiveness of active labor market policies; and c) increase social assistance beneficiaries' incentives to work.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in the Republic of Serbia. Under Component 3, support will be provided to the Serbia Innovation Fund (established in 2011) with headquarters in Belgrade, and to innovative enterprises that may be based in various locations across Serbia.

5. Environmental and Social Safeguards Specialists

Naima A Hasci (GSURR)

Nina Rinnerberger (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Project triggers OP/BP 4.01 Environmental Assessment and is assigned environmental Category B. The Project will not have significant and/or irreversible adverse environmental impacts. Overall, the main environmental concerns relate to Component 2, which supports enterprise innovation in different sectors throughout the country. An Environmental and Social Assessment Framework was prepared, which specifies the procedures that the Project will have in place during

		implementation, with the objective that all investments and reforms, supported under the Project will be environmentally and socially sound and sustainable, and consistent with WB Safeguard policies and Serbian national legislation. The ESMF describes the kind of exclusion activities that will not be financed under the Project and its Eligible Expenditure Programs.
Natural Habitats OP/BP 4.04	No	The project will not affect natural habitats because all financing will be done in the existing localities.
Forests OP/BP 4.36	No	The project will not affect forests because all financing will be done in the existing localities.
Pest Management OP 4.09	No	The project will not finance experiments or production of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The project does not affect physical cultural resources because all financing will be done in the existing localities.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous people in the affected project area.
Involuntary Resettlement OP/BP 4.12	No	The components and sub-components of the project will not support reforms and/or grant and research financing that might result in involuntary resettlement or require land acquisition. The project does not anticipate any direct, indirect or induced negative social impacts; therefore the policy is not triggered. However, the expected social and institutional impacts, particularly for Component 4, were considered during the project preparation process and guidelines reflected in the ESMF.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	While the project will be implemented nationally in the Republic of Serbia on territories that include basins of rivers which can be qualified as international waterways, the project type does not “involve the use or potential pollution of international waterways” as per OP 7.50. No water use/absorption or pollution of waters will be generated by the project activities, which would trigger this policy.
Projects in Disputed Areas OP/BP 7.60	No	N/A

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
Direct, physical environmental impacts could arise under Component 3 of the proposed Project,

<p>which provides support for startups and enterprises in different sectors across Serbian regions and scale-up of operations of the Technology Transfer Facility focusing on technology transfer outcomes. The main environmental concern deals with the Mini & Matching Grant Programs, housed within and administered by the existing Innovation Fund (IF), which will support the development of new or significantly improved technologies, products and processes. The Mini & Matching Grants Program is open to applications in any field of science and technology in all industrial sectors. However, in the past, the majority of awarded grants has been in the innovation fields related to services, software and materials.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>Possible indirect environmental and social impacts may result from Technical Assistance provided under the Project, particularly as part of Components 1 and 2, which will support policy planning and monitoring, better coordination of government programs, and potential reforms to select Ministry of Economy programs. No environmental impacts are expected as a result of Component 4 on Labor, which will provide capacity support of the National Employment Services and improve the cost effectiveness of labor market policies. Moreover, the project has been informed by the findings of the Poverty and Social Impact Analysis conducted for the State-Owned Enterprises Reform Development Policy Loan.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>N/A</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>The borrower has prepared the Environmental and Social Management Framework, which outlines the procedures to ensure: (1) compliance with the World Bank Group (IFC) exclusion list, (2) that no sub-projects with significant impacts of a Category A type are supported, (3) that sub-projects/grants will not necessitate involuntary land acquisition or any form of resettlement, (4) no World Bank Safeguard policies other than OP/BP 4.01 on Environmental Assessment are triggered, and (5) Technical Assistance processes and outputs are consistent with WB Safeguard policies. Any activities corresponding to the World Bank category B Projects will be required to have an Environmental Management Plan in place prior to approval that would identify potential environmental impacts and provide adequate mitigation measures.</p> <p>While the Public Policy Secretariat, which will coordinate the implementation of the Project, does not have experience with Bank-financed projects, the Innovation Fund has received capacity building in planning and implementing environmental and social safeguard measures under the ongoing World Bank Innovation Serbia Project. To support implementation of the Safeguard measures and ensure environmental and social compliance, an Independent Environmental and Social expert will be engaged throughout the Project as described in the ESMF.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>Key project stakeholders are the ministries, the Public Policy Secretariat, the Serbia Innovation Fund, enterprises, Research and Development Institutes and other innovation actors.</p> <p>The ESMF was disclosed in public (both in hard copy and on-line) on April 3, 2015 (http://www.rsjp.gov.rs/). The public consultation meeting was announced in the local media along with targeted invitations sent to relevant stakeholders. The public consultation meeting was held on April 21, 2015. The final ESMF will be re-disclosed in public, including as a hard copy at the</p>

reception area of the Bank Country Office in Belgrade and on-line through the World Bank InfoShop prior to Appraisal. The availability of the ESMF was publicly announced at the Public Policy Secretariat website.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	13-Mar-2015
Date of submission to InfoShop	03-Apr-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Serbia	03-Apr-2015
<i>Comments:</i> The draft EMSF was disclosed in public on April 3, 2015 and is available in English and Serbian on the Public Policy Secretariat (PPS) website (http://www.rsjp.gov.rs/okvirni-plan-za-upravljanje-zivotnom-sredinom-i-socijalnim-pitanjima/t). Hard copies of the document have been placed at the PPS reception area and the World Bank Country Office in Belgrade. The local consultation meeting was held on April 21, 2015. The meeting was announced in the local newspaper Politika (on April 6, 2015) and target invitations were sent to key stakeholders. The final ESMF will be re-disclosed prior to Appraisal.	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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III. APPROVALS

Task Team Leader(s):	Name: Thomas Edward Haven,Dusko Vasiljevic	
<i>Approved By</i>		
Practice Manager/ Manager:	Name: Paloma Anos Casero (PMGR)	Date: 30-Apr-2015