



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

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**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Croatia	EUROPE AND CENTRAL ASIA	P180605	
Project Name	Digital and Integrated Land and Justice Services for Citizens		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	5/22/2023	9/14/2023
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	State Geodetic Agency, Ministry of Justice and Public Administration		

Proposed Development Objective

The Project Development Objectives is to improve functional integration of land and court institutions to enhance services for citizens

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>138.11</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The proposed Integrated Land and Court Services for Citizens Project (ILCSC) seeks to continue supporting Croatia’s land and justice sector reforms. The project would finance activities related to (i) data digitization and management, including harmonization of cadastre/registry data in the JIS and scanning/digitizing land records and judicial decisions; (ii) enhancing geospatial information systems, including the scale-up of the building registry and infrastructure mapping, establishing a real estate market price register; and (iii) service delivery improvement, including citizen engagement activities that will aim to increase the number and use of land and justice e-services, upgrading MoJPA’s One-Stop-Shop online portal, rehabilitation of common court, registry and cadastre infrastructure for integrated



service delivery, and establishing a court of appeals for land disputes to help mitigate backlogs of land-related court disputes. All of these activities are considered priorities for both MoJPA and SGA and will build upon ongoing EU projects and investments as part of Croatia's full integration into the bloc.

The proposed project is closely aligned with the World Bank Group's Country Partnership Framework for Croatia for FY19-FY24. The CPF sets out the overall objective of supporting Croatia in achieving more sustainable and inclusive development by supporting institutional improvements needed for a sustainable trajectory towards EU convergence and eventual IBRD graduation. In particular, the proposed project contributes to CPF Focus Area 1: Enhancing Public Sector Performance and Institutions, particularly Objectives 1: Improve efficiency of public administration to implement strategy and deliver services, and 3: Create opportunities for people, particularly in less developed regions. The proposed project also contributes to CPF Focus Area 3: Strengthening Market Institutions to Enable a Dynamic Enterprise Sector, and to the achievement of its Objectives 6: Improve business climate and increase the private sector's role in the economy, and 7: Promote entrepreneurship and innovation. The activities of the proposed project are also fully aligned with multiple initiatives of the Government of Croatia, including the NRRP and the National Development Strategy 2023, as well as EU-level initiatives such as implementation of the INSPIRE Directive and the European Green Deal.

The proposed project will include four components. Components A, B and C will be hybrid IPF and PBF with Performance Based Conditions (PBCs). The GoC has proposed a loan in the amount of EUR 130 million, with roughly EUR 75 million in investment and EUR 55 million in performance-based financing. Proposed allocations of PBF funding among PBCs will be developed in further consultation with the implementing partners as part of the project preparation process.

**Component A. Integrated and Digitized Data and Information. (IPF EUR 20 million)** This component will support digitization and integration of cadaster, land registry and court data and information. Activities will focus on developing data quality to EU standards, harmonization of land records and sharing data and information within the land and justice sectors and beyond. The IPF portion of the component would support i) harmonization of cadaster and land registry data via the Land Database of the Joint Information System (JIS); ii) enhancement of the Joint Information System (JIS); iii) roll-out of the building registry; iv) completion of the infrastructure cadaster; v) addition of a registry of land purchase prices and mortgages to the JIS; and vi) scanning and digitization of cadaster and land registry documents and court decisions.

Sub-components will include the following: Component A.1 Harmonization of land registry and cadaster data; Component A.2 Enhance Joint Information System; Component A.3 Scaling the Building Registry; Component A.4 Completion of the Infrastructure Cadaster; Component A.5 Scan and Digitize Land and Court Records.

**Component B. Integrated and Digitized Cadaster, Registry and Court Services. (IPF EUR 10 million)** To further improve service delivery MoJPA and SGA have proposed to increase the number of e-services available and to pilot the use of notaries in speeding the process of land registration. The IPF portion of this component fund activities such as: i) introduction of new e-services and support to the new requirement for online submission of land transactions; ii) upgrading of the JIS One Stop Shop Portal; iii) cadaster and land registry reconstruction for priority construction lands; and iv) enhancement of SGA operating systems and services. Upgrades to the One Stop Shop Portal would support more efficient e-services. The proposed activities would contribute to progress towards the NRRP commitments to the improvement of the land registry and cadaster services and overall justice infrastructure. The achievements of this



component would include higher use of e-services. SGA would implement new cadastral surveys of construction land and renew digital orthophotos in Zagreb municipality to support earthquake damage recovery. The SGA would enhance their operating procedures by updating LIDAR (3D) data for all of Croatia, enhancing the CROPOS system, enhancing digital procedures and improving IT infrastructure in SGA offices. The RBF portion will focus on achievement of PBCs supporting increased usage of e-services, improvements in court case processing times and increased number of cadastral municipalities with corrected land data for construction land.

Sub-components will include the following: Component B.1 Enhancing Court, Land Registry and Cadaster e-services; Component B.2 Upgrade MoJPA/SGA One Stop Shop Online Portal; Component B.3 Cadastral surveys and land registry reconstruction; Component B.4 Enhancing SGA Operating Procedures and Services.

Component C. Integrated and Digitized Infrastructure. (IPF EUR 55 million) This component would provide rehabilitation of court, registry and cadaster infrastructure to international and EU standards to support improved service delivery and establishment of a new structure for addressing appeals of land disputes. The IPF portion of this component would support renovation of infrastructure to support integrated cadaster, land registry and court services and establish and Land Court of Appeals. This component builds on the successful experience of the J4B project rehabilitating the Zagreb Municipal Civil Court and judicial facilities in Vinkovci, Kutina and Varaždin, and renovation of the Zagreb Land Registry Office through ILAS. This component will support both functional and physical rehabilitation and renovation of infrastructure in areas possibly to include Novska, Rijeka and Velika Gorica. All sites include cadaster and land registry offices, which would allow for functional integration with courts and provide a model for future renovations under J4B. With the shift to online submission of land transactions and increasing remote hearings for courts, the building designs can take into account office space needs may decrease the need for face-to-face contact. The creation of an appeals structure for land related court cases would help address the issue inconsistent rulings stemming from the thirty appeals courts that currently handle appeals of land cases. The RBF portion of this component will support achievement of PBCs that may include establishment of the appeals system for land-related cases, publication of court decisions and increase of remote hearings as beneficial.

Sub-components will include the following: C.1 Renovation of Court, Registry and Cadaster Infrastructure (Rijeka, Velika Gorica, Novska) and Component C.2 Establishment of System for Appeals of Land Dispute.

Component D. Institutional capacity building, policy analysis, and Project Management. (IPF EUR 5 million) This component is purely IPF and would provide support for the operation of the PIU in the MoJPA as well as for M&E activities. It will support the PIU, provide capacity-building training, implement public awareness campaigns, and conduct user satisfaction surveys. A joint PIU is already supporting implementation of the ILAS and J4B projects, and the same team will support implementation of the proposed projects with adjustments to staffing as needed. As a minimum it will include including a project manager, education, monitoring and evaluation specialist, procurement specialist, financial management specialist, IT specialist, civil engineer, architect, and social safeguard specialist responsible. The PIU will support verification procedures to be established for the RBF component. Training topics could include: land cadastre and registry laws; individual reconciliation of cadastre and land registry data; land registry renewal; establishment of new land registers where they are missing; joint cadastre and land registry procedures; use of MoJPA and SGA e-services by public and professional users; and management. A focus of public awareness will be to inform professional users and the public about the e-services introduced by MoJPA and SGA and the results of data harmonization. The implementing agencies will also conduct user satisfaction surveys as part of monitoring and evaluation activities.



Sub-components will include the following: D.1 Project Management; Component D.2 Training and Education for MoJPA; D.3 Training and Education for SGA; and D.4 Public Awareness Campaigns; and D.5 User Satisfaction Surveys.

#### D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project will support integration and digitalization of land registry and cadaster data and information (under Component A), more efficient e-services and more user-friendly court/cadaster/registry (online) infrastructure (Component B) as well as physical rehabilitation of existing courts and possibly construction of new ones (under the Component C). The locations of activities planned under the Component A and B are yet unknown thus the overall Project geographical scope encompasses the entire country. The selected locations for civil works under Component 3 include judicial/cadaster infrastructure in Novska, Rijeka, Bjelovar and Velika Gorica. This component (C) will support both functional and physical rehabilitation and renovation of infrastructure (e.g. refurbishing courtrooms, reorganization of space, upgrading of EE of the building envelope, etc.).

Novska is a town in Slavonia Region, yet it belongs to Sisak Moslavina County. According to the 2021 census urban centre of Novska town has 11,137 inhabitants. A 2018 study reports 2,190 Roma within the County. It is located at the feet of Psunj Hills and on the banks of Sava River. Neither the existing municipal court building or cadaster building in Novska are listed as protected cultural heritage in the Register of Cultural Heritage of the Republic of Croatia. Apart from Novska that is in relative vicinity of Lonjsko Polje Nature Park no other locations are near nature protected areas. Bjelovar is located on a south plateau of Bilogora Hills in the Northwest of Croatia. It is relatively close to Zagreb (85km). The town spreads over 181.75 km<sup>2</sup> with 31 settlements with approximately 42,000 inhabitants, including approximately 1,465 Roma (2018). Municipal court and prison buildings are hosted in protected CH town cores while the court and are also individually protected. The status of cadaster building is yet to be defined. Buildings also border other CH protected facilities and objects (e.g. Town Museum, Sokolski dom). City of Rijeka is a port city in Kvarner Bay in the northern Adriatic Sea. The area is rich with CH and archeological sites, including city center with many historic buildings from the Austro-Hungarian Empire, and Italian ruling eras, also hosting archeological park from Roman Empire era. Municipal court building as well as cadaster building (Adria Palace) are both protected as part of historical protected zone of Rijeka as well as individually protected building. According to 2021 census Rijeka has 108,622 inhabitants. Velika Gorica is a town in Zagreb County situated in immediate vicinity of Zagreb City (at about 20 km distance). It is the 6th biggest settlement in Croatia with 63,517 inhabitants and stretches over 553 km<sup>2</sup>. A 2018 study reports a Roma population of 1,389 people. Municipal court building is located in the center of the town, in the zone of cultural and historic protection while the cadaster building is the modern one. Croatia's territory covers 56,594 km<sup>2</sup> bordered by Bosnia and Herzegovina and Serbia in the east, Slovenia in the west, Hungary in the north and Montenegro and the Adriatic Sea in the south. Croatia's territorial waters encompass 18,981 square kilometers wide zone, and its internal waters located within the baseline cover an additional 12,498 square kilometers. Lowlands make up the bulk of Croatia, with elevations of less than 200 meters above sea level. Most of the lowlands are found in the northern regions, especially in Slavonia, itself a part of the Pannonian Basin plain. The area includes the largest rivers flowing in the country: the Danube, Sava, Drava, Mur and Kupa. The remaining belongs to the Adriatic Sea drainage basin, where the largest river by far is the Neretva. Over 36% of the terrestrial surface is managed under Natura 2000 network. Croatia is at risk of meteorological hazards and natural disasters, which primarily affect the agricultural, water, and energy sectors.



**D. 2. Borrower’s Institutional Capacity**

The project will build on the Bank’s previous and current engagement in judiciary sector in Croatia including Justice Sector Support Project (closed at satisfactory for E&S Safeguards; no significant gaps in the implementation of the mitigation measures defined in the ESMPs and good construction practices implemented on the field were observed during project implementation), and ongoing Justice for Business Projects (currently rating for ESS is predominantly satisfactory). The implementing agency will be the Ministry of Justice and Public Administration (MoJPA) who will lead and coordinate project activities and will be responsible for an overall implementation of environmental and social standards. E&S management of the Project will be assumed by the existing PIU at the Ministry of Justice and Public Administration (MoJPA). The existing PIU is experienced and trained in implementation of Safeguards as well as Environmental and Social Framework (ESF), as aforementioned Justice for Business Project has been prepared and implemented under ESF for the past 3 years. It engages experienced environmental expert as well as a social expert. The Justice for Business Project recently hired a social specialist who is closing gaps on social risk management and proactively implementing the PIU's stakeholder engagement processes, as well as systematizing and strengthening the Project's grievance redress mechanism. As the environmental expert is also acting as the supervising engineer, additional environmental management capacity will be engaged during Project implementation if/when deemed needed. For sub-projects that trigger ESS8, if advised by the competent/local authorities, PIU shall receive in house or outsourced Cultural heritage expertise for proper implementation of the CHMP. Regardless the experience, and already taken Safeguards and ESF trainings, World Bank will organize focused ESF trainings for the entire PIU and relevant MoJSA staff (up to 3 months into effectiveness). Capacity building will continue on an ongoing basis throughout the project implementation. The MoJSA will ensure that the Bank’s environmental and social criteria are adequately applied in the four locations of the court and cadaster buildings to be rehabilitated as well as other activities, including Technical Assistance.

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**II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Moderate

**Environmental Risk Rating**

Moderate

The project environmental risk is moderate at PCN stage. The risk is predominately linked to rehabilitation of four existing court buildings under the Component C. Some small refurbishing works are also possible under Component B. Given envisaged general and small-scale civil works, the potential adverse risks and impacts on human populations and/or the environment are not likely to be significant or high. This is because the Project activities are not complex nor large, do not involve activities that have a high potential for harming people or the environment, and all of the project sites are located away from environmentally sensitive areas. As such, the potential risks and impacts are predictable and expected to be temporary and/or reversible; low in magnitude; site-specific, without likelihood of impacts beyond the actual footprint of the Project; and have low probability of serious adverse effects to human health and/or the environment. These impacts most commonly include: dust and noise emissions from traffic and earthworks or demolition, demolition and construction; management of demolition / construction wastes and accidental spillage of machine oil, lubricants, etc., possible management of small amount of hazardous materials and



waste like asbestos or paints and varnishes; traffic disturbance; small scale surface or ground water pollution; soil pollution or erosion; workers safety and impacts on cultural heritage sites as buildings at three locations (Bjelovar, Velika Gorica, Rijeka) are under protection as CH, although quite unlikely cultural heritage chance finds. Implications for nature protected or sensitive areas are not likely as none of the buildings are in vicinity of such areas. Risks related to Component A include (i) generation of large amounts of waste documents (potentially recyclables) and their processing or landfilling; OHS risks related to management of old documents and working in insufficiently aired, dusty and potentially mold-contaminated facilities (e.g. basement repositories/archives). Under Component B purchase and installation of larger amounts of IT equipment (e.g. servers) may be required, with potential implications related to EE of equipment, heat production in use phase and energy consumption (for work, cooling, etc.) as well as electrical installation capacity. The Project's risks and impacts can be easily mitigated in a predictable manner. At PCN, generation of e-waste is not confirmed, but will be defined by appraisal. As management of e-waste is well organized and functional at national level, it is not expected to impact the overall environmental risk. The capacity for managing and implementing construction activities is adequate in MoJSA, with the existing PIU, for implementation compliant with ESF. Croatia is at risk of meteorological hazards and natural disasters, which primarily affect the agricultural, water, and energy sectors through seasonal flooding, decreased precipitation, and periods of drought. Precipitation, despite high variability, appears to be decreasing and more extreme weather events are occurring. Although climate change (CC) risks are limited to the existing setting and the optimal measures to address the issue will be carefully investigated in the pre-Appraisal phase and reflected in Project documents as well as E&S Instruments, including (i) measures to mitigate possible contribution to CC in all phases of the Project (e.g. though EE measures), (ii) measures to increase resistance to CC impacts (e.g. insulation, greening to prevent heat islands; (iii) raising awareness and create training programs to support judiciary staff in recognizing and addressing CC implications in legal practice and judiciary. Croatia is also at risk of earthquakes, forest fires, flooding, water scarcity and extreme heat. As some of the locations (e.g. Rijeka) are in the seismically active area, this risk also be reflected in the E&S due diligence.

**Social Risk Rating**

Moderate

The Project's risk rating is moderate due to potential risks: (i) related to land disputes that could arise and need to be adequately managed for cadaster, land registration and valuation activities; (ii) that may arise with issues of land registration of claimants with no title, including illegal land residents, squatters, and family or shared lands; (iii) of minor involuntary land acquisition and/or resettlement risks as a result of civil works and construction of new courts; (iv) related to OHS and community health and safety related to civil works; and (v) for exclusion of vulnerable groups to adequate and agile legal and judicial services where land and property are critical, i.e., divorce cases, protection orders, elderly/inheritance issues, marginalized ethnic groups and/or exclusion risks for certain vulnerable groups due to movement towards e-services for elderly, women, refugees, poor uneducated families, including Roma, with no access or knowledge of technology, refugees. Temporary social disturbances related to civil works for restoration or construction of buildings will also occur, but these can be readily managed through common E&S mitigation measures. The other risks will be assessed through a social assessment, and those confirmed will be mitigated through project design measures and/or social management plans. An RPF will be prepared to manage involuntary land taking or resettlement.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

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

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**Overview of the relevance of the Standard for the Project:**

ESS1 applies to the project due to the environmental and social risks associated with project activities. For environmental risks, risks are introduced from planned rehabilitation of court buildings under Component C - Digital and Infrastructure Improvements for rehabilitation and integration of judicial and cadaster. Currently identified four specific locations of court and cadaster buildings to be rehabilitated include towns of Velika Gorica, Novska, Bjelovar and city of Rijeka. Though the locations are defined, the design of works is still at the early stage of preparation. In addition, some adverse environmental and OHS implications are possible under Component A and B, therefore, the E&S instrument suggested to guide E&S management of Project activities and E&S due diligence is Environmental and Social Management Framework (ESMF) that will be prepared before Project Appraisal. ESMF will guide E&S due diligence and documentation preparation for supported sub-projects (as well as provide templates). It will also organize due diligence procedures for preparation of site specific E&S instruments, most likely ESMP Checklists. The latter will be prepared, consulted and finalized before bidding of works, and made an integral part of bidding and contracting documentation. Potential environmental risks and impacts of Project activities are predictable and expected to be temporary and reversible, low in magnitude, and site specific addressing potential impacts typical for small scale civil works such as dust and noise emissions, OHS risks, management of construction and earthworks wastes, accidental spillage of machine oil, lubricants, etc. and generation of small quantities of hazardous wastes, possible management of small amount of hazardous materials like asbestos wastes, or paints and varnishes, traffic disturbance, small scale surface or ground water pollution, soil pollution or erosion, workers safety. In most cases such impacts can be mitigated readily through good construction practice, environmental permitting process and through implementation of site-specific ESMP checklists. A site-specific ESMP Checklist is proposed also to tackle typical mitigation approaches to common civil works contracts with localized impacts, but also EE and waste management issues under Components A and B. As most of the buildings planned for renovation (at three locations) are protected cultural heritage sites and some as individually protected CH buildings, impacts will be mitigated through Cultural Heritage Management Plan (CHMP) that will include conditions obtained from CH competent authorities. In some cases, although quite unlikely, cultural heritage chance finds thus clauses to address the risk will be included to ESMF and site specific E&S instruments. CHMP can be prepared as an integral part of ESMP Checklist as well as a stand-alone instrument. In case of construction of new buildings, green filed construction that may have impacts on natural/modified/critical habitats will not be supported under the project. In addition, special attention to safety of employees, other users of the building and visitors will be put through mitigation measures as some of the works might go in parallel with the court operation. In addition, E&S due instruments, and procedures as well as Project documents will reflect concerns related to resistance to climate change (CC) and natural disaster resistance (e.g. seismic resistance), but also issues related to awareness and knowledge of CC issues in judiciary (judges especially).

In regards to social risks, under ESS1 a social assessment will be carried out to analyze common disputes that arise around land cadaster and registration activities, as well as the legal framework and institutional systems in place to address and resolve these disputes. In addition, it will specifically assess how specific vulnerable populations, i.e., women, elderly, marginalized ethnic minority groups experience these services and identify any barriers for access where measures adopted by the Project could promote enhanced inclusion. The recommendations from the social assessment, which will be published, will be introduced into Project design and inform the ESMF and subsequent preparation of social management plans either at a component or subproject level.





**Areas where “Use of Borrower Framework” is being considered:**

Common approach was not considered as the WB is the only source of financing.

**ESS10 Stakeholder Engagement and Information Disclosure**

ESS10 is relevant as stakeholder engagement will be necessary to identify social risks (disputes and/or exclusion risks) around the land and justice services that will be strengthened under this Project. Key stakeholders include local governments, the relevant authorities responsible for courts, legal and other social support staff working within courts, land authorities, and civil society organizations representing specific groups such as women, ethnic minorities (including Roma specifically), elderly, persons with disabilities, persons that do not have or have limited access and knowledge of digital technologies, and groups, if identified within the social assessment, with any legacy issues around land and property disputes and access to relevant legal/judicial services. A Stakeholder Engagement Plan will be prepared and implemented both during project preparation (to inform the social assessment and design measures to enhance inclusion) as well as during implementation to assess user satisfaction and site-specific risks for civil works. For each court restoration/construction subproject, a site-specific SEP will be prepared and implemented prior to finalizing construction designs. If cases arise where renovations or civil works take place in buildings with cultural heritage significance, the relevant cultural conservation and heritage authorities will be consulted on the SEP and in particular on the Cultural Heritage Management Plan (CHMP) prior to disclosure and completion of the final designs. Project Grievance Redress Mechanism will be established and will build and aim to strengthen existing GRMs for cadaster related disputes.

**B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

**ESS2 Labor and Working Conditions**

The project footprint is relatively small and does not entail a significant amount of labor as the interior rehabilitation works will be small scale. OHS risks will be typical for small scale civil works (under Components B and C) which includes risks from falling, injuries due to lack of PPE and negligence, risks from tripping, insufficient housekeeping and/or materials management, injuries suffered in and from traffic, exposure to hazardous wastes (e.g. asbestos), accidental situations, and other. In addition, under Component A, health risks may occur related to management of old documents and working in insufficiently aired, dusty and potentially mold-contaminated facilities (e.g. basement repositories/archives). Based on the screening, no gaps have been identified in national labor legislation with regards to occupational health and safety issues stipulated in ESS2. The Act on Occupational Safety (OG 71/14, and later updates 71/14, 118/14, 154/14 , 94/18, 96/18) sets out the general principles of risk prevention at work and protection of health, rules to eliminate risk factors, procedures of training of workers and procedures of information and consultation of employees and their representative with employers and their authorized persons. Further, it also introduces measures to protect workers from psycho-social risks (stress) and psycho-physiological effort at work, with the aim of prevention and education of all stakeholders. The intention is to raise awareness and encourage preventive action not only by employers but also by employees. The employer is obliged to implement occupational health and safety measures based on the general principles of prevention. These include: risk avoidance, risk assessment, prevention of risks at their source, adjustment of work to the employees in relation to the design of the workplace, the choice of work equipment and the mode of operation and work processes to relieve monotonous

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work. Employers must consider issues such as adaptation to technical progress, replacing hazardous substances or processes with the non-hazardous or less hazardous. They are also required to develop a consistent comprehensive prevention policy by connecting technology, organization of work, working conditions, human relationships and the influence of work environment. They must give preference to collective protective measures over individual ones, appropriately train and inform employees, and make all protective equipment available free of charge.

This Project will most likely include all categories of project workers defined by ESS2, except community workers. Direct workers: persons employed or engaged (or to be employed/engaged) directly by the MoJPA and SGA - consultants to perform specialized tasks (e.g. social and environmental experts, architects, civil engineer, procurement, financial management employed within the PIU, etc). Contracted workers, including employees of the contractors and the subcontractors, both low and high quality skilled, are expected to be engaged (IT firms, construction companies, design and architecture companies). The number and the type of required skills of contracted workers will depend on the activities being implemented and the phase and progress of the project. Also, primary supply workers will also be engaged under this project in order to support the infrastructure upgrading under the Component C. All direct and contracted workers will be required to sign a code of conduct to ensure no SEA/SH incidents. The provisions of ESS 2 regarding forced labor, child labor and safe conditions of work will all be addressed.

Activities for judicial and cadaster digitalization and improvement of data management will require professionals and highly educated experts while main risks related to working conditions and treatment of the project workers are present in relation to civil works under the Component C. These risks are primarily related to possible absence (or not sufficiently developed) labour management procedures (e.g. procedure for complains by employee to employer over the respecting terms of conditions of contract or other aspects of work conditions). In Croatia the number of migrants workers is increasing, especially construction sector, there is a possibility of engagement of migrant workers in civil works activities. Labor influx is expected to be small scale and it is not expected to have labor camps.

The ESMF will include Labour management procedures for direct, contracted and subcontracted workers who will be deployed with special emphasis on Grievance Redress Mechanism (GRM) and training for project workers. As there is no existing GRM for workers, a separate GRM for receiving, evaluating, and addressing project-related complaints, feedback, questions and suggestions, will be established for project workers in addition to at the level of the project level and will take into account sensitivities around SEA/SH in regards to confidentiality and outreach. by project effectiveness [and this condition will be captured within the ESCP].

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

ESS3 is relevant to the project. Project activities will contribute to better resource efficiency (EE especially) as the rehabilitation of court buildings will include energy efficiency measures like improved insulation and heating efficiency. The project will not be significant user of water or material resources. The ESMP Checklists prepared for sub-projects, will include mitigation measures avoid or minimize the release of pollutants like asbestos, lubricants, paints, etc. These would especially relate to air pollution like dust suppression, noise management related to works and equipment, organized waste management (predominately construction waste), hazardous waste (small quantities are expected of residual oils, paints and similar, contaminated packaging, possibly asbestos waste from



roof slabs, insulation, etc.), management of hazardous substances like paint and varnishes, all typically associated with small scale construction. Electronic and electric (E&E) waste collection, considered a special category of waste under the Waste Management Act (OG 84/21), is collected, processed/disposed through a network of state-licensed collectors of E&E waste. National system for collection, safe transport and disposal of hazardous waste is in place (some wastes are exported; capacity for asbestos disposal exists in country). The rehabilitation activities will not require substantial material sourcing that would be relevant to this Standard.

#### **ESS4 Community Health and Safety**

ESS4 is relevant to the project. Since the project’s civil works will mainly be undertaken in or around court and cadastral buildings, maintaining the health and safety of employees and visitors, and nearby communities throughout the construction phase is critical. Movement of heavy goods vehicles can lead to accidents. Civil works in such premises can also disrupt operation through dust emission, noise, increased generation of solid waste, etc. Potential threats to people and communities may be posed by uncovered or barricaded or not signage spots such as open holes, open electric cables, etc. The project will ensure safety of staff and other visitors during the rehabilitation works by identifying relevant measures in ESMP Checklist and adopting adequate OHS protocols following WBG EHS Guidelines. Those will be reflected in site specific environmental due diligence documents. Partition of construction area by putting in place fences, signaling, mitigation measures to control excessive noise and dust levels, and secure access to the area in the building for the office workers and public use will be ensured through a robust mitigation and management plan in site-specific ESMP Checklists. Given a small-scale nature of civil works primarily focused on court and cadastral buildings rehabilitation and integration the impact and risk on community’s health and safety is expected to be minor and manageable. Small amounts of hazardous wastes may be generated from rehabilitation of works such as residual paints, varnishes, oils and similar, possibly some asbestos. National regulatory and institutional framework for collection, safe transport and disposal of hazardous waste is EU aligned, implemented and supervised (some wastes are exported; capacity for asbestos disposal exists in country). Designs will integrate WB EHS Life and fire safety requirements (if stricter than national regulation) ensuring internationally recognized fire safety standards are met.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is currently relevant and a Resettlement Policy Framework (RPF) will be prepared as a precautionary measure, unless further subproject screening deems that screening out all land taking is a viable mitigation measure. Whereas the civil works are primarily located on existing sites, past project experience in Croatia has found that land taking for expansion and/or temporary use can often arise and/or the need for transfer of land titles. In addition, an initial screening of proposed subproject sites identified one case where expropriation of a private business may be necessary.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Currently not relevant. Potential environmental risks and impacts associated with this ESS have been screened and determined to be not currently relevant given the project’s setting and context. Though Novska Municipality area includes Lonjsko Polje Nature Park, the buildings subjects of the Project are located in the urbanized town center and



not in the immediate vicinity of the park while the expected impacts will be short term and largely limited to the working sites.

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

ESS7 is not relevant as there are no Indigenous peoples who meet the four criteria of the Standard living within Croatia.

**ESS8 Cultural Heritage**

The standard is relevant as court and cadaster buildings at locations in Rijeka, Bjelovar and Velika Gorica are located in the CH protected zones of city/town centers while buildings in Bjelovar and Rijeka are also individually protected buildings. For each of these sites ESMF will provide guidelines and procedures for CH protection integrated in the E&S due diligence procedures as well as Cultural Heritage Management Plan (CHMP) template. CHMPs with identified mitigation measures and monitoring, will be prepared in alignment with ESS8 and local, national, regional or international cultural heritage regulations and the Cultural Heritage Management Plan (CHMP) and consulted specifically prior to public disclosure with the competent authorities (relevant conservation / cultural heritage departments). Public consultations will also target and actively include CH protection associations, national and local chambers of architects and similar organizations. CHMP will be prepared, consulted and finalized prior to bidding and integrated to bidding and contracting documentation, whether as integrated to E&S Instrument (ESMP Checklist) or a stand-alone CHMP (likely in the case of individually protected buildings). The national legislation in Croatia related to cultural protection is developed and aligned with EU and international standards. The implementation of legislation, as well as institutional and supervising support is very satisfactory and agile. CHMPs will integrate required measures/opinions/conditions issued by competent authorities (mandatory under the national regulation). Mandatory national CH supervision will be integrated to project supervision processes. If advised by the competent/local authorities, PIU shall receive in house or outsourced Cultural heritage expertise for proper implementation of the CHMP.

**ESS9 Financial Intermediaries**

The ESS9 is not relevant since no financial intermediaries will be party in the project implementation.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

Public Disclosure



**Financing Partners**

No common approach has been considered and the World Bank will be the only financing partner for the Project.

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

- Environmental and Social Management Framework (ESMF)
- Preparation of Environmental and Social Commitment Plan (ESCP).
- Social Assessment (SA)
- Resettlement Policy Framework (RPF)
- Stakeholder Engagement Plan (SEP)
- Labor Management Procedure (LMP)

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Timing for completion (preparation, consultation and implementation) of E&S instruments that will be carried out during project implementation.
- Preparation of an incident reporting procedure.
- Any additional E&S institutional strengthening activities.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

10-Apr-2023

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Ministry of Finance

Public Disclosure



**Implementing Agency(ies)**

Implementing Agency: State Geodetic Agency

Implementing Agency: Ministry of Justice and Public Administration

**V. FOR MORE INFORMATION CONTACT**

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Telephone: (202) 473-1000  
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**VI. APPROVAL**

Task Team Leader(s):	Paul Scott Prettitore, Srdjan Svircev, Pedro Arizti
Practice Manager (ENR/Social)	Anne Olufunke Asaolu Recommended on 13-Mar-2023 at 07:53:44 EDT
Safeguards Advisor ESSA	Abdoulaye Gadiere (SAESSA) Cleared on 13-Mar-2023 at 14:08:38 EDT