



# Concept Environmental and Social Review Summary

## Concept Stage

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

Date Prepared/Updated: 10/25/2023 | Report No: ESRSC03876



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P500611	Investment Project Financing (IPF)	REMP 2	2025
Operation Name	Second Real Estate Management Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Serbia	Serbia	EUROPE AND CENTRAL ASIA	Urban, Resilience and Land
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Serbia	Ministry of Construction, Transport and Infrastructure, Republic Geodetic Authority	10-Jan-2024	29-Jul-2024
Estimated Concept Review Date	Total Project Cost		
24-Oct-2023	32,711,780.00		

Proposed Development Objective

To improve the transparency, accessibility, and reliability of Serbia’s real property management systems

B. Is the operation 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 Activities

[Description imported from the Concept Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The Second Real Estate Management Project will scale up activities completed under the Additional Financing of the ongoing Real Estate Management Project (P147050). REMP 2 would be implemented by the Republic Geodetic Authority (RGA), and components envisioned under the proposed project include: Component A: Valuation and Property Taxation. This component will support the development of mass valuation models for non-residential properties in Serbia. Activities will support RGA with the collection of property characteristics and the identification of



all individual taxable units in Serbia, including their geo-locations. Component A will also seek to identify data sources and methods for their collection. Component B: E-Governance for Enabling Access to Real Estate Information: This component will support nationwide implementation of the Integrated System for Real Estate Cadaster (ISREC) in all 164 Local Cadaster Offices and any associated upgrades, including the development of additional e-services for citizens and businesses, simplification of business processes, extension of the infrastructure cadaster and the cadaster data quality improvement to facilitate data migration from old databases. Component C: Support to National Spatial Data Infrastructure Advancement. This component support the implementation of Serbia's Integrated Geospatial Information Framework (IGIF) Action Plan and the establishment of a sustainable business model to ensure long-term sustainability of the investments. The component will also support the further development of Serbia's Risk Register and extension of the National Geoportal. Component D: Institutional Development and Project Management. This component will support continued policy dialogue at RGA concerning its adoption of, and transition to, a self-financing model to ensure the long-term sustainability of project investments, particularly for those concerning the development and national implementation of ISREC. It will also support project management functions that will be carried out by the Project Implementation Unit.

## D. Environmental and Social Overview

### D.1 Overview of Environmental and Social Project Settings

*[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 2,000]*

This nationwide project aims to advance land administration reforms in Serbia, encompassing both urban and rural areas. It focuses on digitalizing property management in Serbia including valuation and property taxation of non-residential properties, but without making physical changes. In general, environmental risk management practices in Serbia align closely with EU directives. Serbia is a pre-accession country and has been receiving support and guidance from the EU to harmonize various sectors, such as environment, waste management, climate and sustainable development. Ensuring strict compliance with national legislation provides a solid basis for effectively managing environmental risks that might arise during the project's implementation. The E-Gov Law addresses various aspects of e-government, including the development of e-services for citizens and businesses, electronic transactions between public administration bodies. In addition Serbia has Law on Electronic Document, Electronic Identification, and Trust Services and Law on Telecommunications. However, regulatory framework to tackle digital divide has not been developed yet. Furthermore, no survey on use of E-Gov services has been conducted yet. The survey from 2021, conducted by the Statistical Office showed that 76.7% of households in the Republic of Serbia have a computer. The digital divide is evident when analyzing geographic areas and the availability of internet connections in urban and rural areas. The percentage of computers in households varies depending on the territory: in Belgrade, it amounts to 94.7%, in Vojvodina 72.2%, in Šumadija and Western Serbia 69.1% and in Southern and Eastern Serbia 70.9%. The internet is mostly used for phone conversation (99.9% students and 57.8% pensioners). Digitization and development of electronic administration is a priority of the Government of Serbia, though it involves extreme complexity and high sensitivity.

### D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

*[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of*



*provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 2,000]*

The Republic Geodetic Authority (RGA) will continue as the proposed project’s implementing agency as it was for the original Real Estate Management Project (REMP). RGA has built significant implementation capacities for land administration projects over the past 20 years, and this will remain an important asset throughout project implementation. The agency’s PIU will continue its role under the new project and has competencies and experience with World Bank protocols and procedures for project implementation, including fiduciary aspects, safeguards (but not the WB Environmental and Social Framework (ESF), and M&E, the latter of which is fully overseen by RGA, with the PIU consolidating data for reporting to the World Bank. The PIU performed satisfactorily in applying E&S policy, and in particular social risk management under safeguards. To ensure the project align with social requirements under ESF the PIU The PIU's will designate social specialist from the existing team or hire a part-time social specialist. The Information and Communication Technology (ICT) capacities of RGA are already considered very advanced, particularly with the rollout of Integrated System for Real Estate Cadaster (ISREC). This capacity will be further enhanced as technical staff are become trained on geospatial information management. However digitalization generally pose multiple challenges especially regarding proper management of social risks. The borrower has limited capacity in this area, therefore the ESCP will outline the requirement to appoint one part time data privacy and cybersecurity specialist who will adequately address digital divide, algorithm biases and data privacy and security. The task team will discuss with RGZ the necessary capacity building programs related to REMP 2 activities, including its preparation and execution phase.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

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

Moderate

#### A.1 Environmental Risk Rating

Low

*[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]*

The project is not expected to have significant adverse environmental impacts, as it will mostly support desk based work, i.e. software development (e.g., development of mass valuation system for non-residential properties, gathering and evaluating of real estate data; upgrade of additional e-services for citizens and businesses; modernization of the Republic Geodetic Authority (RGA) Web Portal; improvement of cybersecurity, data and systems protection and recovery, etc.) The project will not support any civil works. Potential indirect adverse environmental risk and impacts might arise from IT hardware purchase. These issues can be effectively mitigated by aligning with the national regulatory framework and incorporating provisions within the ESCP for: (i) energy efficiency (EE) standards for hardware appliances and (ii) the management of electrical and electronic equipment waste (e-waste). Another risk related to community safety pertains to the procurement of drones for cadastral mapping activities, under Component D. However, this aspect is well-regulated within the country. Specifically, the Regulation on Unmanned Aircraft (Official Gazette of the Republic of Serbia, no. 108/2015) outlines conditions for safe unmanned aircraft use, permit acquisition procedures, and requirements for individuals operating drones. Furthermore, the Law on Public Peace and Order (OG of the RS, no. 6/2016, 24/2018) imposes penalties for drone operations that endanger public



safety or disrupt order and peace. The ESCP will incorporate relevant provisions for the safe use of drones. While the PIU may not be familiar with the ESF, the original REMP and additional financing have been successfully implemented under safeguards by the same PIU responsible for this project. Overall, the potential adverse environmental risks and impacts associated with this project are anticipated to be minimal or negligible in scope. Consequently, the environmental risk rating is assessed as low.

**A.2 Social Risk Rating**

Moderate

*[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]*

The project aimed at digitalization of real estate government services has moderate social risk. The platform for property valuation will handle sensitive data about properties and their owners, which raises privacy and cybersecurity concerns. At concept stage it is not clear whether privacy considerations will be built into the platform design, and if there will be a clear plan in place in the event of any breach. Strong data privacy and security measures in accordance with national regulations and GIIP will be part of ESCP requirements. The platform's design must guarantee transparency, and accurate property valuations to avoid conflicts, legal issues, or financial losses for property owners and buyers, and this requirement will be detailed in project ESCP. Discrimination against specific demographic and bias in property valuation algorithms should be prevented by adhering to national antidiscrimination laws and best international practice. Collecting information via drones poses a data privacy risks, and their usage will be strictly aligned with General Data Protection Regulation and the Serbian Law on Personal Data Protection. Although full information is not available at the concept stage, it is unlikely that the Project will result in technology driven job displacement. However, if it does happen, a plan will be drawn up to train workers for new technologies or compensate for job loss as prescribed by law. The introduction of E-Gov in real estate information poses a risk of a digital divide. To address this, the project will draw on GIIP and good practices from prior REMPs, including data collection on digital access and usage, support for diverse age groups, and ensuring accessibility for individuals with disabilities. SEP will prioritize transparency and stakeholder engagement. Finally, the social risk for the project is moderate, but reversible as it can be managed through the existing legal framework, GIIP, ESCP, and SEP.

*[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 2,000]*

**B. Relevance of Standards and Policies at Concept Stage**

**B.1 Relevance of Environmental and Social Standards**

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

Relevant

*[Optional Explanation - Max. character limit 1,000]*

The project will not support activities with a physical footprint, so there are no identified direct environmental impacts. The risks associated with the property valuation process, procurement of hardware and drones can be to a certain extent mitigated by aligning with the national regulatory framework. Nonetheless, considering the potential shortcomings in the implementation and adherence to national regulations, the ESCP will incorporate relevant requirements on energy efficiency, drone use, permitting, property valuation process and its transparency, data

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privacy and security, GRM and stakeholder engagement and labor conditions. These topics will also be addressed in the POM. SEP will be created to ensure sufficient level of transparency, guide engagement and enhance public awareness among various stakeholders. It will also address potential digital divide and establish clear communication channels to ensure property owners are informed about how their data will be utilized.

**ESS10 - Stakeholder Engagement and Information Disclosure**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

Transparency in mass data valuation process, potential digital divide, and data privacy and security are the main ESS10 related social concern. The SEP will be developed to ensure sufficient level of transparency, guide engagement and enhance public awareness among citizens, businesses, and authorities in Serbia. SEP will identify all vulnerable groups expected among commercial owners such are: women, Roma, people with disability, ethnic minorities, migrants, elderly, and provide strategies for addressing their specific needs and challenges in this context. The SEP will consider any potential digital divide and establish clear communication channels to ensure property owners are informed about how their data will be utilized. The SEP will guide notification of the public about the drone project, the purpose of data collection, and any potential impacts on owners' privacy. The feedback loop will be ensured through project GRM but also through satisfaction surveys

**ESS2 - Labor and Working Conditions**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

Although full information is not available at the concept stage, it is unlikely that the Project will result in technology driven job displacement. Project workers will include direct workers (PIU staff), civil servants and consultants who will be hired following the Bank's procurement guidelines. National labor law is overall consistent with and meets the requirement of the ESS2 relevant to the project. The labor issues be addressed through the Recipient's commitment to the ESCP as follows: (1) Recipient is required to include in the ToRs and contracts for IT consultancies measures to ensure compliance with the national labor law and ESS2, satisfactory to the Bank; and (2) Recipient will establish a workers' GM for PIU consultants and verify that consultancies have a workers' GM in place before establishing a contractual relationship with them. The Code of Conduct including on SEA/SH will be required as part of ESS2. The ESS2 monitoring obligations will be reflected in ESCP and POM.

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

Relevant

*[Optional Explanation - Max. character limit 1,000]*

Risks related to the procurement of some hardware components will be addressed and provisions will be made in the POM and the ESCP to ensure full compliance with national regulations, notably with provisions of EE measures and e-waste, and with the World Bank Group (WBG) Environmental, Health, and Safety (EHS) Guideline (including relevant GIIPs stated in the document), as applicable.

**ESS4 - Community Health and Safety**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

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Risks related to the procurement of drones will be addressed and provisions will be made in the POM the ESCP and SEP to ensure public awareness and full compliance with national regulations, particularly regarding the safe use of drones and community safety. Collecting information via drones poses a data privacy risks, and their usage will be strictly aligned with General Data Protection Regulation and the Serbian Law on Personal Data Protection. The platform's design must guarantee transparency, and accurate property valuations to avoid conflicts, legal issues, or financial losses for property owners and buyers, and this requirement will be detailed in project ESCP.

**ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

This standard is not relevant.

**ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

This standard is not relevant.

**ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

**ESS8 - Cultural Heritage** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

This standard is not relevant.

**ESS9 - Financial Intermediaries** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

This standard is not relevant.

**B.2 Legal Operational Policies that Apply**

**OP 7.50 Operations on International Waterways** No

**OP 7.60 Operations in Disputed Areas** No

**B.3 Other Salient Features**

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**Use of Borrower Framework**

No

*[Optional explanation – Max. character limit 1,000]*

**Use of Common Approach**

No

*[Optional Explanation including list of possible financing partners – Max. character limit 1,000]*

**B.4 Summary of Assessment of Environmental and Social Risks and Impacts**

*[Description provided will not be disclosed but will flow as a one time flow to the Concept Stage PID – Max. character limit 5,000]*

Overall project E&S risk is moderate, predominantly due to social risks associated data privacy and security. Potential environmental risks are those associated with IT hardware and drone purchases and will be addressed through the project's adherence to national regulations and the incorporation of relevant provisions for energy efficiency standards and proper e-waste management into the ESCP. Furthermore, concerns related to drone operations and their impact on community safety will be mitigated by existing national regulations that outline the conditions for safe drone use, permit acquisition procedures, and the legal requirements for individuals operating drones. The ESCP will include these pertinent provisions to ensure the safe and responsible use of drones. Overall, the potential adverse environmental risks and impacts associated with this project are expected to be minimal or negligible in scope, resulting in a low environmental risk rating. The project aims to digitalize government services related to real estate, potentially bringing moderate and reversible social risks. This is primarily due to the sensitive nature of property data, privacy concerns, potential misinterpretation of property valuation method, and digital divide associated with full implementation of digitalized system. Through ESCP the project will be required to implement strong data privacy and security measures in compliance with national regulations and best international practice. The requirement to ensure sufficient level of transparency and adequately address any discrimination and bias in property valuation algorithms will be outlined in the ESCP. The use of drones for data collection will require adequate permitting and will be aligned with Serbian data privacy protection laws. The project is not anticipated to lead to job displacement. The ESCP will include key elements of the Labor Management Plan (LMP) to oversee labor and working conditions for both contracted and direct project workers. To address potential digital divide the project will draw on the best international guidelines and successful practices from previous project (such are: collecting data on digital access and usage, providing support for diverse age groups, and ensuring accessibility for individuals with disabilities.) The SEP will be created to emphasize transparency in property valuation and platform design, bridge the digital divide, and involve all stakeholders throughout project execution. The ESCP will mandate the establishment of the project GRM, which, along with continuous customer satisfaction surveys, will ensure a closed feedback loop in communication with citizens. The PIU's capacity will be enhanced by designating social specialist from the existing team and hiring a part-time expert in data privacy and security. Overall, the social risks associated with the project are anticipated to be moderate and can be effectively managed through existing legal framework, GIIP, ESCP and SEP.

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**C. Overview of Required Environmental and Social Risk Management Activities**

**C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?**

*[Description of expectations in terms of documents to be prepared to assess and manage the project’s environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 3,000]*

By appraisal the borrower will need to develop SEP, and ESCP. Measures related to improved transparency, data privacy and security, energy efficiency, e-waste, safe use of drones, as well as project GRM and main provisions on labor conditions will be outlined in the ESCP. ESCP will also outline the requirement to appoint one part-time data privacy and cybersecurity specialist who will adequately address digital divide, algorithm biases and data privacy and security.

**III. CONTACT POINT**

**Contact Point**

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**IV. FOR MORE INFORMATION CONTACT**

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**V. APPROVAL**

Task Team Leader(s):	Olivera Jordanovic
ADM Environmental Specialist:	Ivana Novakovic
ADM Social Specialist:	Olivera Kovacevic

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