



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 02-Oct-2019 | Report No: PIDISDSA26512



BASIC INFORMATION

A. Basic Project Data

Country Serbia	Project ID P168640	Project Name Real Estate Management Project Additional Financing	Parent Project ID (if any) P147050
Parent Project Name Serbia - Real Estate Management Project	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 01-Oct-2019	Estimated Board Date 21-Nov-2019
Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Investment Project Financing	Borrower(s) Republic of Serbia	Implementing Agency Republic Geodetic Authority, Ministry of Construction Transport and Infrastructure

Proposed Development Objective(s) Parent

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

Components

- A. Valuation and Property Taxation
- B. E-governance for Enabling Access to Real Estate Information
- C. Institutional Development of the Republic Geodetic Authority
- D. Project Management and Supporting Activities

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	23.94
Total Financing	23.94
of which IBRD/IDA	23.94
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Bank for Reconstruction and Development (IBRD)

23.94

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

NA

B. Introduction and Context

Country Context

Following years of recession and slow growth, the Serbian economy expanded by 1.8 percent, on average, over the 2015 – 2017 period, while a stronger growth of 4.3 percent was achieved in 2018. After being hit hard by the global financial crisis in 2009 and rounds of natural disasters (floods and droughts during the period 2012-2014), the growth started to recover on the back of higher investment (that rose by an estimated 16.4 percent in real terms) as a main driver of growth, contributing 3.4 percentage points to the overall GDP growth. Consumption recovered as well, but at a slower pace (at 3.3 percent annually in real terms), adding 2.9 percentage points to growth. The negative net contribution of foreign trade to growth subtracted close to 2 percentage points from the annual growth in 2018. Growth of the industry and services sectors contributed most to the overall growth of the economy over the previous four years (in 2018 their contribution to the total GDP growth was 2.3 percentage points). For 2018, growth was broad-based with all three major sectors growing faster than last year. As a result, the Serbian economy expanded by 4.3 percent in 2018, well above the projected 3.5 percent. The medium-term growth projections depend crucially on deeper and timelier structural reforms and the progress of the regulatory and institutional modernization process to meet European Union (EU) accession requirements.

In November 2007, Serbia initiated a Stabilization and Association Agreement with the EU. In 2012, it was granted an EU candidate status. Since the formal start of the accession negotiations in 2014, progress has evolved largely following its predicted trajectory. As of September 2019, Serbia opened 17 out of 35 chapters of the EU’s Acquis Communautaire, of which two are provisionally closed.

Sectoral and Institutional Context

Despite persistent problems in the broader economy, Serbia's real estate sector has seen considerable improvement over the last two decades. Fifteen years ago, the cost and time required to register property rights were excessive, most real properties were not registered, only 20 per cent of the country was covered in land books (legal registers maintained by municipal courts), and there was a mismatch between these books and the records of the Republic Geodetic Authority (RGA). With the help of the World Bank financed Real Estate Cadastre and Registration Project, the time required to register transactions was reduced, local cadastre offices were renovated, important geodetic infrastructure was built, and customer satisfaction improved. Today Serbia has a unified system for Real Estate Cadastre (REC) for registering property and property rights. REC is managed by RGA and supervised by the Ministry of Construction, Transport and Infrastructure (MCTI).



Over the past four years, regulatory framework has been strengthened which resulted in major improvements in the real estate management in Serbia. Valuation profession has been regulated with introduction of new licensing system for valuers and adoption of national valuation standards in line with the international standards. Major impediment to investments in land was the cumbersome, costly and non-transparent process for obtaining construction permits. Serbia started implementing one-stop-shop for issuing construction permits in 2016 which resulted in improved Serbia Doing Business (DB) ranking in dealing with construction permits from 186 (among 189 economies) in 2015 to 11 (among 190 economies) in 2019. All built structures in the Republic of Serbia have been identified using satellite imagery and a building register has been established to include structures built without construction or occupancy permits to strengthen the system for property taxation, process of legalization of past constructions and disaster management. Property registration process has been streamlined and simplified with introduction of e-Front Desk which links the databases of cadaster, notaries, Tax Administration and courts, enabling online submission of applications for registration of property transactions and property tax declarations through notaries, substantially improving the reliability of the property rights registration system. Serbia has been recognized as the leader on the geospatial agenda in the Western Balkans with strong progress made on setting up the National Spatial Data Infrastructure (NSDI). Government's efforts to improve the real estate management systems in Serbia have been actively supported by the World Bank through the Real Estate Management Project (REMP) since 2015.

Proposed Additional Financing (AF) for REM Project will support further strengthening of the building register through satellite imagery renewal and development of processes to enable building register to be regularly updated to reflect changes. It will provide funding to complete development and national roll-out of Integrated System for Real Estate Cadastre (ISREC); support further strengthening of RGA IT systems and NSDI sustainability and data quality improvement. It will provide funds that are currently lacking for building a centralized paper and digital archive and establishing leveling network in Serbia. AF will support further clearing of backlog in local cadastre offices and institutional development of RGA.

C. Proposed Development Objective(s)

Original PDO

To improve the efficiency, transparency, accessibility and reliability of Serbia's real property management systems.

Current PDO

The objective of the Real Estate Management Project will remain the same under the Additional Financing (AF): to improve the efficiency, transparency, accessibility and reliability of Serbia's real property management systems.

Key Results

The following improvements in the real estate management systems are expected:

1. Efficiency –reduced time to register transactions (*from 48 to 3 days*);
2. Transparency – rules, procedures, methodologies and information widely and easily accessible, and procedures operating for public to verify their information (*from limited availability to data available on internet*);
3. Accessibility – open data available to municipalities for re-use (*from none to available*);
4. Reliability – the public trust the quality of real property data (customer satisfaction with real estate management system quality and efficiency increased from 66 percent to 80 percent).

D. Project Description



Project components and project beneficiaries remain unchanged.

Project beneficiaries are (i) the general public, foreign investors and Serbian nationals residing abroad currently owning real estate or desiring to acquire real estate in the future; (ii) land market professionals (lawyers, surveyors, valuers) and organizations associated with mortgaging ; and (iii) government agencies and local authorities who would all benefit from more accurate and accessible real estate data and better services and/or be able to provide better services.

The Additional Financing is to support activities within the four project components, and to address any gaps in the original Project components:

Component A - Valuation and Property Taxation, which is supporting the RGA to develop a mass valuation system, creating a sales price register, and improving the quality and transparency of the valuations and the valuation infrastructure in Serbia.

Component B - E-Governance for Enabling Access to Real Estate Information, which is supporting RGA to develop and implement several integrated and interoperable systems and services to support the real estate sector.

Component C - Institutional Development of the Republic Geodetic Authority (RGA), which is supporting the agency to improve business standards and processes, enhance services and meet EU service standards.

Component D - Project Management and Support Activities, which provides RGA with a project implementation unit (PIU), monitoring and evaluation support, public outreach on the project activities to improve social inclusion, provision of training to stakeholders, and additional studies and the design of subsequent proposals for adoption of policies and regulations.

10. Through these components, the Project supports the Serbian Government's reform agenda in the following ways:

- E-governance for enabling access to real estate information which will improve the business climate, attract investors, and reduce transaction cost and time;
- Property valuation and taxation activities which will support fiscal consolidation, and strengthen local governance;
- The development of real estate markets will boost small and medium enterprises that use real estate as collateral; and
- The development of a National Spatial Data Infrastructure (NSDI), which will advance European integration.

E. Implementation

Institutional and Implementation Arrangements

The implementation arrangements will remain unchanged. The project under AF will continue to be implemented by the Republic Geodetic Authority. Project Council will continue to perform its policy advisory role and overall guidance to implementation. Steering Committee will continue to supervise the project implementation. Donor Coordination Group with RGA has been discontinued for two reasons: (i) donor funded projects in RGA closed, and (ii) in 2017, Ministry of European Integration was established for coordination of EU assistance, and the international and bilateral donors' aid. Experienced PIU staff will continue to support RGA in day-to-day project implementation. Excellent results in realization



of the REM Project are indicators of the PIU’s adequate experience and technical capability to implement the additional activities under AF. In cases of a need for specialized expertise, consultants are planned to be hired under the open competition (international or national) to support capacity of the PIU, as provided in the Procurement plan.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Nationwide, it is expected that a new archive building will be constructed in Zemun. Serbia Real Estate Management Project, as a part of its activities, envisages support to RGA in preparation of the Detailed Design for construction of the Archive Depot Building in Zemun, and its subsequent execution. Currently, there is a prepared Detailed Design and obtained Building permit for this facility. Consequently, the Environmental Mitigation Plan is updated on the basis of all available information. Site-specific EMP was disclosed in the country on September 23, 2019 and sent for disclosure in the Bank on Sept 25, 2019. The location of the new the RGA Archive Depot building is envisaged to be at the lot no.98/27, Cadastral Municipality Zemun Polje, Municipality Zemun, address: line Ekonomija no.1. The parcel surface is 6,000.00 sq m, the building is planned to have a total gross area of 4,897.34 sq m and will consist of one underground floor with 1,204.80 sq m gross area and three floors above ground with a gross area of 1,230.85 sq m per floor. The location of the new building is a part of the large business area stretching between housing estates Galenika and Batajnica.

G. Environmental and Social Safeguards Specialists on the Team

Nikola Ille, Environmental Specialist
Harika Masud, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	A new building is expected to be constructed in Zemun as an archive for paper documents. The location is already used by the Client.
Performance Standards for Private Sector Activities OP/BP 4.03	No	NA
Natural Habitats OP/BP 4.04	No	NA
Forests OP/BP 4.36	No	NA
Pest Management OP 4.09	No	NA
Physical Cultural Resources OP/BP 4.11	No	NA



Indigenous Peoples OP/BP 4.10	No	NA
Involuntary Resettlement OP/BP 4.12	No	NA
Safety of Dams OP/BP 4.37	No	NA
Projects on International Waterways OP/BP 7.50	No	NA
Projects in Disputed Areas OP/BP 7.60	No	NA

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:

The project is classified as environmental category B because of building works that are required. While the majority of the project activities are environmentally-neutral, some civil works will be funded. These include a new building for the cadaster depot in Zemun. For these works, the location is defined, and include building plot that are state property with the use right transferred to RGA through a Government Decision no 464-6433/2016 dated July 7, 2016. The expected environmental impacts are related to handling of construction material, construction waste, and the health and safety of workers and general population that need to be close to the construction area. Mitigation of negative impacts related to these activities will be undertaken using well known methods contained in the code of the good construction practice, which will be applied on the construction site.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: As the project activities are limited to building works, no negative indirect or long-term impact is expected.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Mitigation measures and safeguard reviews have been put into place to minimize any adverse impacts from building works.

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. The implementing agency has experience with new construction under a previous Bank-funded project and are aware of the environmental safeguards requirements. The Borrower's safeguards performance to date has been satisfactory. The Project Implementation Unit has a full-time engineer/environmental specialist with eight years of experience in implementation of WB safeguards policies. Site-specific EMP exist for the RGA paper archive and it was updated based on the Detailed Design developed under the Project and disclosed on September 23, 2019. Four vulnerable groups, namely women, people with disabilities, people of Romani ethnicity, and the elderly receive special attention from the project. Specific measures aiming to promote inclusion through the project include: (a) support for mobile registration services that can reach populations that cannot physically or financially afford to reach registration offices; (b) support for communications strategies that increase information on real estate management for vulnerable groups; and (c) capacity building for RGA and local registration office staff on serving vulnerable customers. Monitoring and Evaluation of activities during implementation of parent Project showed lower participation on mobile services and access by vulnerable groups and attested to the need to tailor outreach efforts



regarding RGA services to the information needs of these groups. The Additional Financing will therefore continue to provide support for inclusion activities and capacity building for RGA as well as the public awareness campaign and will incorporate revisions in the customer survey questionnaire to measure the awareness of vulnerable groups regarding RGA services and their level of satisfaction with service provision.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The activities on archive building will not affect anyone as the project will finance building works on government-owned land which has no occupants. Therefore, no resettlement action plans will be required.

Activities aiming at greater inclusiveness of vulnerable groups are promoted through public outreach campaign and direct coordination and cooperation with representing associations such as national association of people with disabilities. This coordination ensures the plan of activities is customized to best serve the needs of targeted vulnerable groups.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
16-Sep-2019	23-Sep-2019	

"In country" Disclosure

Serbia
23-Sep-2019

Comments

This is a disclosure of an updated EMP. The link to website with updated EMP disclosed is the following:
<http://www.rgz.gov.rs/vesti/2582/vest/finalni-plan-upravljanja-%C5%BEivotnom-sredinom-izgradnja-novog-arhivskog-depoa>

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 (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?



If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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