

ENVIRONMENTAL AND SOCIAL MANAGEMENT AUDIT REPORT

ENABLING DIGITAL GOVERNANCE IN SERBIA (P164824)

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Abbreviations

DoEIA	Department of Environmental Impact Assessment
DRDC	Disaster Recovery Data Center
EDGE	Enabling Digital Governance in Serbia Project
EIA	Environmental Impact Assessment
EMP	Environmental Mitigation Plan
ESMP	Environmental and Social Management Plan
ESMF	Environmental and Social Management Framework
RPF	Resettlement Policy Framework
PIU	Project Implementation Unit
OITeG	The Office for Information Technologies and Electronic Government
WB	World Bank

1 INTRODUCTION

1.1 Background

The World Bank (WB) is supporting the Government of the Republic of Serbia / The Office for Information Technologies and Electronic Government (OITeG) to implement the Enabling Digital Governance in Serbia project (EDGE) which aims at improving access, quality, and efficiency of selected administrative e-Government services.

In 2015, Serbia approved Strategy on Development of Electronic Government in Serbia for 2015-2018 (e-Government Strategy), and a follow-up strategy is being developed. In 2014, an assessment conducted by the EU on the status of e-Government concluded that Serbia is among the countries that have placed stronger emphasis on advancing e-Government. Serbia has implemented several activities for the development of telecommunications, expansion of broadband connectivity, the enhancement of e-Government and the development of an Agency for Information Society. Unfortunately, most of these efforts have been fragmented, uncoordinated and only partially funded.

Following the adoption of the Strategy on Development of Electronic Government in Serbia, the GOS created the Office of Information Technologies and e-Government (OITeG) under the Prime Minister's Office in 2017, to steer the reform process and to oversee the implementation of this and all the subsequent government strategies.

The OITeG's mandate is to expand the use of ICT in Serbia and to foster the digitalization of public sector services to improve quality, efficiency, innovation, competitiveness, and growth. The OITeG is the main agency tasked with the implementation of the e-Government Strategy and its Action Plan. However, the policy and regulatory functions in matters of digitalization and e-Government are shared between the Ministry of Public Administration and Local Self-Government (MPALSG) and the Ministry of Trade, Tourism and Telecommunications (MTTT). The OITeG requires strengthening to implement and advance the GOS e-Government agenda.

1.2 Project description

The proposed project is designed to support the Government of Serbia in improving access, quality and efficiency of selected e-government administrative services through three separate but interlinked components.

The project is proposing a holistic but phased approach focusing on ensuring the cross-sectoral foundations for e-government advancement are in place, before investing in significant technical assistance to move the e-Government agenda forward. Once the foundations are in place, the project focuses on activities to digitalize selected key government services to transform them into e-services while building capacity in the Government to implement the reform and of users to adopt the new e-services to be provided.

The project will support establishment of the backbone for the integrated, well-coordinated, and efficient delivery of e-government services, through the following three components:

Component 1. Foundations for Digital Service Delivery

The objective of this component is to establish the necessary cross-cutting foundations to support the use of ICTs in the provision of public services to citizens, and businesses, including inter alia, regulations, standards, and digital infrastructure. The Component 1 includes six subcomponents: *Subcomponent 1.1 Regulatory foundations; Subcomponent 1.2 Interoperability Platform; Subcomponent 1.3 Development of a Government Meta-Register; Subcomponent 1.4 Document Management; Subcomponent 1.5 Implementation of the G-Cloud and Data Disaster Recovery Center; Subcomponent 1.6 Strengthening Cybersecurity and Data protection.*

Subcomponent 1.5 of Component 1 (sub-project) of this Project is the one which could have potential adverse environmental impacts. Although the purchase of the equipment for the new national Disaster Recovery Data Center is a subject of the Project, construction of the building financed from the other sources, in parallel to this Project, is considered as associated facility.

Component 2. Transforming Services for Citizens, Businesses and Government

The objective of this component is to support re-engineering, digitalization, and piloting of selected administrative e-services. It will support improvements in back-office processes to reduce administrative burdens and increase efficiency

of administrative service delivery to citizens and businesses. The Component 2 includes four subcomponents: *Subcomponent 2.1 Administrative Service Inventory; Subcomponent 2.2 Business Process Re-engineering; Subcomponent 2.3 Digitalization of Pilot Services; Subcomponent 2.4 Strengthening Digital Skills.*

There are no negative impacts under Component 2. Expected impacts of the subcomponents are mostly environmentally neutral and possibly environmentally positive.

Component 3. Digital Skills Development, Change Management and Institutional Strengthening

The key result of this Component is enhanced capacity for project management and institutional coordination to achieve project results. The Component 3 has two subcomponents: *Subcomponent 3.1 Change Management and Coordination; Subcomponent 3.2 Project Management.*

There are no negative impacts under Component 3. Expected impacts of the subcomponents are environmentally neutral.

1.3 Rationale and the objective of the Environmental and Social Audit

Although WB is financing only purchase of the equipment under the EDGE Project, the construction of Disaster Recovery Data Center (DRDC) in Kragujevac financed from other sources is considered associated facility. Therefore, environmental and social safeguards apply.

The EDGE Project has been classified as a Category B Project, per the World Bank safeguards policy. An Environmental and Social Management Framework (ESMF), containing Environmental and Social Management plan (ESMP) template, has been prepared and consulted prior to the project Appraisal.

As Disaster Recovery Data Center (DRDC) construction commenced before ESMP for the associated facility was prepared, the Office for Information Technologies and Electronic Government (OITeG) carried out E&S Audit to establish if the sub-project has been carried out in line with the WB E&S Safeguard Policies and Procedures and to close (by implementing corrective measures) any material gaps between WB policies and procedures as well as national legislation, and practice implemented in construction.

The E&S Audit consists of the set of mitigation and monitoring measures that will be weigh against the E&S sub-project implementation practice. Based on the assessment, if any gaps would be identified, corrective measures will be prescribed, to eliminate adverse environmental and social impacts, or reduce them to acceptable levels. E&S Audit must be carried out so that the sub-project is carried out in line with World Bank Safeguard policies applicable to this Project, namely Operation Policy 4.01. The following table provides the overview of the safeguard policies triggered by the EDGE Project:

Safeguard Policies	Triggered by the Project	
	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11		✓
Indigenous Peoples OP/BP 4.10		✓
Involuntary Resettlement OP/BP 4.12	✓	
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

WB approved E&S Audit Report is a condition to procurement of equipment for Disaster Recovery Data Centre.

OP/BP 4.01 Environmental Assessment

The Bank requires environmental assessment (EA) of projects proposed for Bank financing to help ensure that they are environmentally sound and sustainable, and thus to improve decision making. EA is a process whose scope, depth, and

type of analysis depend on the nature, scale, and potential environmental impact of the proposed project. EA evaluates a project's potential environmental risks and impacts in its area of influence. Types of projects especially in the component 3 may be part of EA and categorization. There are 4 categories of projects according to the WB categorization A, B, C, FI.

The sub-project was classified as category B project meaning no significant, lasting, hazardous or unpredictable impacts are expected during, or as a result of its implementation. However, a degree of impact is expected, and the policy requires environmental assessment (EA) of projects to be carried out to help ensure that environmentally sound and sustainable, and thus to improve decision making. For this purpose, ESMF was prepared by the Recipient providing guidelines and procedures for environmental due diligence and preparation of aforementioned E&S Instruments for the whole project. Only sub-projects of category B and C will be supported, while category A activities are excluded. Depending on the size and scope of applied sub-projects of category B, further environmental assessment will be carried out. This Project is B category, that envisages moderate to substantial E&S risk sub-projects and preparation of Environmental Social Management Plans (ESMPs), ESMP Checklists and E&S Audits for ongoing and completed works. EA applies also to Associated Facility Projects. The Borrower is responsible for carrying out the EA. For the sub-project to be eligible for financing, all the permits required by the national legislation must be obtained and presented to authorized institution conducting the assessment.

1.4 Sub-project location

Site for construction of Disaster Recovery Data Centre is located on the cadaster parcel no. 10418/7 K.O. Kragujevac 4, size of 4ha. It's a plot slightly trapezoidal in shape, previously undeveloped and covered with uncultivated greenery. It is situated in the northern part of Kragujevac, bordered on the south-east side by Save Kovačevića Street, and on the other three sides by other plots that are undeveloped and covered with uncultivated greenery. There were no other buildings on the plot, no tall vegetation, and the plot itself is sloping. Figure 1 shows site location and position.



Figure 1. Site location

The location for the construction of the DRDC was chosen because it meets the following criteria:

- Excellent access to the site, positioned adjacent to recently built road with the necessary infrastructure.

- The site meets the restrictive requirements for data centers of this type, including the following limitations:
 - o within 400m there must be no chemical industry, research laboratories, landfills, dams
 - o within 800m there must be no railway, highway, military base
 - o within 1600m there must be no airport, factory of purpose / military industry, ammunition factory, nuclear power plant.

Site location is not situated within or in the vicinity of the protected area and no protected species have been identified. There are no cultural and historic values located in the zone of works, neither archaeological sites. No important and/or sensitive institutions such as hospitals, schools, kindergartens are located in the vicinity of the location.

1.5 Sub-project activities

On site activities include construction of State Data Center, and connections to the existing and planned infrastructure, associated surrounding landscaping and internal roads, construction of the fence around the whole complex, 2 porter's lodges and 35 kV distribution plant. All transformers that are installed (or to be installed) are new and do not contain PCB (in line with the Stockholm Convention).

Plot area is 40 000 m², while the area covered by facilities is 17 821 m² (44,5%).

State Data Centre for data management and storage consists of two separate facilities – facility 1 and facility 2.

Facility 1 comprises three parts:

- administrative part
- area with IT equipment, power supply and cooling equipment
- technical blocks consisting of a transformer station with a distribution plant and a diesel-powered electric aggregate

The administrative part of facility 1 consists of a reception, restaurant / cafe, part with offices, meeting room, NOC (Network Operation Centre), security area, storage for equipment, toilets, halls, and other ancillary and technical area.

The part with IT equipment is of modular type. One IT module consists of:

- IT area with a maximum of 160 IT rack cabinets (IT equipment)
- area in which the equipment for powering IT equipment is located, with UPS devices (uninterruptible power supply) with associated batteries to achieve the required autonomy of work
- refrigeration equipment for IT equipment and power supply equipment, chiller plants, located at the roof of the building, above each IT module

The technical blocks are located on the left and right side of the building, due to the need for double-sided power supply. For each of the IT modules 2 technical blocks are formed, A and B part, which consist of a transformer station of required power with the associated distribution plant and diesel electric generator.

Construction of the first phase was finalized at the time of Audit, in full accordance with the technical documentation and requirements of the ESMF. All measures envisaged were adequately implemented.

After trial operation for several months to test telecommunication, power supply, cooling, fire protection and safety systems, DRDC building got use permit number : ROP-KRG-16917-IUP-16/2021 from 15.12.2021. issued by City administration for urban planning, urbanism, construction and environmental protection, Department for joint procedure T

Facility 2 is currently under construction. It will also comprise 3 parts:

- technical area with IT equipment, power supply and cooling equipment
- associated administrative part
- technical block consisting of a transformer station with a distribution plant and a diesel-powered electric aggregate

The technical area contains IT equipment and devices for powering this equipment. On the roof of this facility 2 there is equipment for cooling IT equipment and power supply devices.

The accompanying administrative part consists of the reception / security, toilets, hall for meetings, equipment storage space, as well as other accompanying technical and administrative area.

The technical block consists of two blocks located on the left and right side of the building. Each block, A and B block, consists of a transformer station of the required power with the associated distribution plant and diesel electric generator.

In addition to building 2, it is planned to build an antenna pole of the required height for radio installation relay antennas.

The facilities are connected to the public water supply and sewerage networks. All works are realized in line with the technical documentation and the obtained conditions from the competent authorities Heating system is based on heat pumps and electric boilers, and roof chillers and cooling devices are used for cooling.

Summary of key potential impacts to environmental media of DRDC construction, and their significance as defined in ESMF, are given in the following table.

1.6 Potential impacts

Table 3. Summary of key potential impacts of DRDC construction and proposed mitigation measures

IMPACT (implementation phase)	SIGNIFICANCE and DURATION	COMMENT / MITIGATION
Impact on land use / settlements	Low	There will be limited land acquisition as defined by WB OP 4.12 during the project implementation.
Ground and surface water	NO IMPACT	Due to low amount of stormwater water that can be potentially drained into any river during construction and operation the consequential impact is expected to be negligible. Conditions for stormwater drainage set by the Water permit.
Air quality	Low, temporary	Temporary impact. Local air quality may experience some moderate and temporary deterioration due to dust from construction traffic and elevated levels of nitrogen oxide (NOx) and sulphur oxide (SOx) from construction equipment exhausts.
Flora and fauna (protected areas and species)	NO IMPACT	No protected areas or species at the subject location.
Noise and vibration	Low, temporary	Only limited temporary impact during the construction phase. Mitigation measures in form of noise deflecting shields may be placed where the work-scheduling activities cannot have desired effect.
Soil quality	Low, temporary	Soil disturbance and earthwork. Potential spills of fuel, dyes, oils, etc. Mitigation measures to be implemented: Adequately solve drainage of stormwater and other surface waters to prevent soil, surface, and ground water pollution. Waste oil is to be disposed of in closed containers. If waste oil is not transported away immediately upon replacement, provide such space for temporary storage of containers providing for avoidance of leakage to surrounding areas (secondary containment). Containers/oil will be disposed/processed at approved and licensed disposal sites The procedure of oil replacement on machinery should be implemented on surfaces planned for this and by laying protective beds underneath points of potential leakage. Vehicle maintenance at the construction site is prohibited. Vehicles are to be maintained only in the designated workshops.

Waste	Low, temporary	Health hazards and environmental impacts can happen due to improper waste management practices. Waste Management Plan prepared with prevention and mitigation measures.
Hazardous materials management	Moderate, long-term	<p>If to be used, temporary storage on site of all hazardous or toxic substances will be in safe containers labeled with details of composition, properties and handling information.</p> <p>The containers of hazardous substances should be placed in a leak-proof container to prevent spillage and leaching.</p> <p>Waste, including waste hazardous materials, should be handed over to authorized waste management company, and records on handover kept.</p> <p>Wastes are landfilled/processed only in landfills/processing plants licensed for a particular type of waste that is being processed/disposed.</p>
Community Health and Safety	Low, temporary	<p>Signaling installed and mitigation measures defined by ESMP implemented to control trespasses, excessive noise, and dust levels.</p> <p>Risks to the community stemming from unauthorized access to working sites prevented through a set of measures such as allowing access only to authorized persons, with informational and warning signs and fences installed.</p> <p>Measures to ensure the safety and wellbeing of nearby communities and road users during construction and for the operation phase are prepared together with the Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events.</p> <p>Use of safe, non-toxic materials in construction of the building, including paints, varnishes, etc.</p>
Occupational Health and Safety	Moderate, temporary	<p>Provide workers with personal protective equipment on direct construction work.</p> <p>Regular presence of responsible H&S representative of the contractor at the site.</p> <p>Implement measures set by the Plan of Preventive measures, management of construction site, safety and health measures at work and fire protection measures.</p>
Cultural and religious issues	Low, temporary	No cultural and religious heritage at the subject location. No archeological sites. Stop all works on site in case of chance finding and notify responsible authorities.
Cumulative impacts etc.	NO IMPACT	Temporary, construction works may cause a slight increase of noise levels and air pollutants concentrations during the works only
	Moderate, long-term	Installation and management of transformers compliant to Stockholm convention requirements.
	SIGNIFICANCE and DURATION	COMMENT / MITIGATION
	Long term, moderate	Adequate ventilation on rooms where diesel generators are placed. CO detectors and alarms.
	Long term, moderate	Fire safety design and system compliant to national legislation and best international practices
	Long term, moderate	Emergency Preparedness Plan is in place and communicated to employees.

2 REGULATORY AND INSTITUTIONAL FRAMEWORK

2.1 Overview of applicable legislation

2.1.1 The Law on Environmental Protection

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

2.1.2 The Law on Air Protection

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

2.1.3 The Law on Climate Change

The Law on Climate Change ("Official Gazette of RS" No. 26/2021) has been adopted in March 2021, in force from April 1st, 2021. This law regulates the system for limiting greenhouse gas emissions (hereinafter: GHG) and for climate change adaptation, monitoring and reporting on low-carbon development strategy and its improvement, program for climate change adaptation, adoption of low-carbon development strategy and program for climate change adaptation, issuing permits for GHG emissions to plant operators, issuing approvals to the aircraft operator's monitoring plan, monitoring, reporting, verification and accreditation of verifiers, administrative fees, supervision and other issues relevant to limiting GHG emissions and climate change adaptation.

2.1.4 The Law on Waste Management

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

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

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

2.1.5 The Law on Water

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

The Law prescribes various provisions aimed to define the legal status of waters on the territory of the Republic of Serbia, defines the integrated water management approach, rules regarding the management of water facilities and water land, resources and financing of water activities, sustainable use of water resources, supervision, rules related to the surface

water and groundwater including thermal and mineral waters, except groundwater from which useful mineral raw materials and geothermal energy can be obtained.

2.1.6 The Law on Efficient and Rational Use of Energy

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

2.1.7 The Law on the Use of Renewable Energy Sources

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

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

2.1.8 The Law on Protection Against Environmental Noise

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

2.1.9 The Law on Soil Protection

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

2.1.10 The Law on Nature Protection

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

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

2.1.11 The Law on Planning and Construction

The Law on planning and construction ("Off. Gazette of RS", No. 72/2009, 81/2009 - correction, 64/2010 - decision of the CC, 24/2011, 121/2012, 42/2013 - decision of the CC, 50/2013 - decision of the CC, 98/2013 - decision of the CC, 132/2014,

145/2014, 83/2018, 31/2019, 37/2019 - other act and 9/2020) regulates the following: conditions and modalities of spatial planning and development, development of general and detailed regulation plans, development and use of construction land and the construction of facilities, predominant use of land when the land has multiple uses, public use of land and other issues of significance in the development of space, landscaping and use of construction land and the construction of facilities. It also prescribes procedure for: issuance of site conditions; issuance of building permit; notice of works; issuance of occupancy permit; attainment of conditions for design, i.e. connection of a facility to the infrastructure network; obtaining legal instruments and other documents issued by the holders of public authorities required for the construction of facilities, i.e. for the issuance of site location conditions, building permit and occupancy permit within their competence, as well as for the provision of conditions for connection to the infrastructure network and for the registration of title to the built facility and for designating a house number (unified procedure).

2.1.12 The Law on cultural property

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

2.1.13 The Law on Expropriation

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

2.1.14 Law on Occupational Safety and Health

The Law on Occupational Safety and Health ("Official Gazette of RS" No. 101/2005, 91/2015 and 113/2017 -other law) regulates the occupational safety and health system in Serbia. By harmonizing this law with the ratified International Labor Organization conventions and EU Framework Directive 89/391/EEC, as well as special directives derived from the Framework Directive, all guidelines originating from them have been accepted in a form adjusted to national conditions. Apart from this Law, the regulatory framework of the occupational safety and health system is integrated by several sub-acts.

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

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

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

2.1.15 Regulation on Labor, Working Conditions and Gender equality

The following regulations are relevant to labor, working conditions and gender equality in general and also apply to workers engaged by the Project: Labor Law, Law on Civil Servants, The Law on Peaceful Settlement of Labor Disputes, Law on Employment and Unemployment Insurance, Law on Employment of Foreign Citizens, Law on Retirement and Disability Insurance, Law on Health Insurance, Law on the Prohibition of Discrimination, Law on the Prevention of Harassment at the

Workplace, Rulebook on Conduct of Employers and Employees in Relation to Prevention and Protection from Harassment at Work, Law on Protection of Whistle Blowers, Law on Gender Equality.

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

2.1.16 National Legal Framework guiding Labor and Working Conditions

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

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

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

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

2.1.17 Law on ratification of the Stockholm Convention

The Republic of Serbia is Party to the Stockholm Convention on Persistent Organic Pollutants. Law on ratification of the Stockholm Convention was adopted by the Serbian Parliament in 2009 (“Official Gazette of the RS – International Agreements” No. 42/2009), and in the same year the Government of the Republic of Serbia adopted the National Implementation Plan for Implementation of the Stockholm Convention on Persistent Organic Pollutants (NIP). In the period of 2009-2015, the Republic of Serbia has adopted the series of legal acts as well as articles and procedures defined by NIP, which gave legal basis for the implementation of the Stockholm Convention. Some of the most important legal acts are Law on Chemicals (“Official Gazette of the RS”, No. 36/09, 88/10, 92/11 and 93/12), Law on Waste Management (“Official Gazette of the RS” No. 36/2009 and 88/2010) and Law on Ratification to the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution, as well as a sequence of bylaws including Manual on Identification, Keeping of Records and Safe Handling of PCB Devices and Equipment, and in that way the conditions were met for implementation of the measures necessary for monitoring of POPs, management of PCB, elimination i.e. risk reduction from POPs exposure defined by NIP. Also, Environmental Protection Agency is in charge of monitoring of POPs in environmental medium and maintenance of Registry of devices in use, which contain PCB. Accordingly, results of monitoring of POPs in air and water

are regularly published through Reports prepared by the Agency, while preparation of Registry of equipment in use, which contains PCB, has started and this process is still ongoing.

POPs chemicals are regulated in the EU by the Commission Regulation on POPs No 850/2004. Ministry of Agriculture and Environmental Protection, as the competent authority for chemicals management in the Republic of Serbia, is in charge of monitoring and harmonisation of EU legislation in the field of POPs. Republic of Serbia transposed EC Regulation on POPs No 850/2004 with amendments (EC Regulation No 756/2010 and 757/2010 on amendments to the EC Regulation No 850/2004) into Serbian national legislation.

2.2 Institutional framework

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

The main actors are the following:

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

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

MCTI is the implementing agency for the EDGE project.

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

For the project subcomponent / Construction of the State Data Center in the City of Kragujevac, local administration is responsible for issuing construction permit and all procedures related to construction in accordance with the applicable Laws, that is City Administration for Spatial Planning, Urbanism, Construction and Environmental Protection.

2.4 The Ministry of Environmental Protection (MEP)

MEP is the key relevant institution for environmental management of all activities under the EDGE Project.

For the project subcomponent / Construction of the State Data Center in the City of Kragujevac, local administration is responsible for environmental protection and for conducting all environmental procedures in accordance with the applicable Laws, that is City Administration for Spatial Planning, Urbanism, Construction and Environmental Protection.

Public Utility Company 'Sumadija' Kragujevac is responsible for waste collection and management.

Public Utility Company 'Vodovod i kanalizacija' Kragujevac is responsible for issuing water conditions/water permit.

2.5 Ministry of Health

The Ministry of Health is responsible for:

- the implementation of sanitary regulations pertaining to environmental protection and biosafety,
- sanitary inspection,
- water supply for public consumption, etc.

2.6 The Institute for Nature Conservation in Serbia

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

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

Institute for the Protection of Cultural Monuments Kragujevac is responsible for providing opinions on cultural heritage.

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

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

3 CURRENT STATUS OF ACTIVITIES AND ENVIRONMENTAL ASSESSMENT

The lead implementing agency is The Office for Information Technologies and Electronic Government (OITeG). The OITeG is responsible to monitor and ensure implementation of all environmental and social mitigation measures. The OITeG will be required to show best effort to provide information that the funded activity was carried out with attention to good environmental management and will be held responsible for any non-compliance with the World Bank (WB) Policies and Procedures as well as non-compliance with applicable national regulation and policies.

3.1 Environmental Impact Assessment

Based on the national Law on Environmental Impact Assessment, and WB procedure for “B” Environmental Category Projects (which in major part correspond to Projects on List No.2 of the Decree on establishing the List of Projects for which the Impact Assessment is mandatory and the List of projects for which the EIA can be requested (“Official Gazette of RS” no. 114/08)), a **The decision on the need for an impact assessment of the Project** was submitted by the OITeG to the competent authority.

The Decision on the suspension of the EIA procedure no. XVIII-501-185/19 dated 19.06.2019. was issued by the competent authority, City of Kragujevac/City Administration for Urban Planning, Urbanism, Construction and Environmental Protection/Department for Urban Planning and Environmental Protection/Unit for Environmental Protection, since there are no conditions for initiating and conducting the procedure, as stipulated in the Decision.

3.2 Review of Project documentation developed in line with ESMF

Specific requests regarding potential environmental and social impacts as defined by ESMF have been included in the bidding documents for procurement of design and construction services.

The following documents have been reviewed within E&S audit that were developed in line with measures set by ESMF:

Plan of Environmental Protection Measures

As defined by the Works contract for design and construction of Phase I DRDC, *Plan of Environmental Measures for Data Center – Phase I* has been developed in December 2019 (Millennium Team d.o.o).

The Plan defines:

- General protection measures
- Waste management protection measures
- Measures for protection of air quality
- Water protection measures
- Noise protection measures
- Measures for protection of greenery
- Measures for storage of hazardous materials

Waste Management Plan

As defined by the Works contract for design and construction of Phase I DRDC, *Waste Management Plan – Phase I* has been developed in December 2019 (Millennium Team d.o.o).

The Plan defines a list of construction and demolition waste that can be generated at the location, in accordance with Regulation on the categories, testing and classification of waste (‘Official Gazette of the RS’, no 56/2010 and 93/2019).

Table for monitoring of waste quantities is provided and be-monthly reporting defined.

The Plan also defines the following:

- ✓ waste sorting – separate collection of recyclable materials
- ✓ proper packaging of waste
- ✓ document on movement of waste / document on movement of hazardous waste
- ✓ adequate storage of waste

Hazardous and non-hazardous waste management is defined.

Waste is collected by the authorized licensed public utility company and disposed at the municipal landfill. Construction waste is collected by the licensed waste collection company and disposed in line with the conditions set in the waste management permit of the operator. Records on movement of waste are available and were reviewed. In supporting documents are proof of movement of communal waste from PUC.

Plan of Preventive measures

This Plan defines rules, regulations, guidelines, responsibilities and requests in terms of occupational health and safety. Emergency preparedness plan is included as the part of the Plan of Preventive Measures. Consent to the fire study and Emergency preparedness plan issued by the Ministry of Interior - 09.15.2.2 no. 217-17191 / 20-1 dated 26.11.2020.. Decision issued by the RS Ministry of the Interior, Sector for Emergency Situations, Directorate for Emergency Situations, Kragujevac

No significant injuries or OHS accidents have been recorded or reported. *Study on the management of construction site, safety and health measures at work and fire protection measures*

This Study on the management of the construction site sets up main requests for organization and implementation of the occupational health and safety measures, i.e. defines criteria for technical and personal protection that apply to all workers on the construction site.

Consent to the fire study is issued by the Ministry of Interior - 09.15.2.2 no. 217-17191 / 20-1 dated 26.11.2020. years. Decision issued by the RS Ministry of the Interior, Sector for Emergency Situations, Directorate for Emergency Situations, Kragujevac

A plan for the physical and technical security of the construction site due to the risk of coronavirus COVID 19

This Plan defines additional physical and technical measures due to potential risk of coronavirus spreading.

4 ENVIRONMENTAL AND SOCIAL SCREENING CHECK LISTS

A. Environmental Screening Check List

Name of the subcomponent:	Subcomponent 1.5 Implementation of the G-Cloud and Disaster Recovery Data Center	
City/Municipality:	Kragujevac	
Name of applicant (implementing unit):	The Office for Information Technologies and Electronic Government	
Contact:		
CRITERIA	YES	NO

Does the proposed activity require a FULL Environmental Impact Assessment as per the Serbian Law on Environmental Impact Assessment (list of Projects for which full EIA is mandatory)? If yes, this activity cannot be financed.		x
Will the works financed include construction, reconstruction or demolition works?" <i>If yes, an ESMP needs to be prepared!</i>	X Construction of the associated facility	
Does the existing enterprise have valid operating permit, licenses, approvals etc.? If not, please explain. Permits to screen for include: construction permit, operational/use permit, urban permit, water management permit... <i>If not, will the financing be used to correct this condition?</i>	x	
Does the existing enterprises have a valid environmental permit (or is in the procedure of obtaining an environmental permit as per the Serbian laws) and does the proposed activity fall under those for which this permit was issued?		X Not required
Does the existing enterprise have a valid water management permit that calls for special investments or measures for the enterprise's wastewater releases (or is in the procedure of obtaining this permit as per the Serbian laws)?	X Water conditions no 8649/1 dated 28.05.2019. JKP 'Vodovod i kanalizacija' Kragujevac	
Does the existing enterprise need to follow specific Serbian environmental regulations regarding air emissions, water use or wastewater discharge and solid waste management?	X	
Are there any significant outstanding environmental fees, fines or penalties or any other environmental liabilities (e.g. pending legal proceedings involving environmental issues etc.) <i>If so, will the financing be used to correct this condition and please explain?</i>		x
Have there been any complaints raised by local affected people or groups or NGOs regarding conditions at the facility? <i>If so, will the grant financing be used to remedy these complaints?</i>		x
Proposed Activity		
Will the proposed activity require acquisition of land, e.g. <ul style="list-style-type: none">• Encroachment on private property• Relocation of Project affected persons• Loss of private lands or assets		X (Land acquisition has been completed)

<ul style="list-style-type: none"> Impacts on livelihood incomes <p><i>If yes, a site-specific Resettlement/Livelihood restoration Action Plan or Abbreviated Resettlement/Livelihood restoration Action Plans shall be prepared</i></p>		according to national regulations; none of the stated apply)
Will the proposed activity disrupt access to education?		x
Will the proposed activity disrupt access to health services?		x
Will the project affect vulnerable ¹ groups by any of impacts identified above?		x
Will the activity generate water effluents (wastewater) that may require special treatment, control or the water management permit?	X Water conditions	
Will the activity generate air emissions which would require special controls in order to ensure compliance with the Serbian standards?		x
Will the activity generate noise levels that would require control measures to ensure compliance with the Serbian standards?	x	
Will the noise levels impact particularly sensitive receptors (natural habitats, hospitals, schools, local population centers)?		x
Will the activity consume, use or store, produce hazardous materials that: <ul style="list-style-type: none"> require special permits or licenses require licensed or trained personnel are outlawed or banned in EU or Western countries are difficult, expensive, or hard to manage are inconsistent with PPAH recommendations may cause soil and water pollution or health hazards if adequate control measures are not in place 		x
Will the activity generate solid waste that may be considered hazardous, difficult to manage, or may be beyond the scope of regular household waste? <i>(This may include, but not be limited too, animal carcasses, toxic materials, pesticides, medical waste, cleaning materials, flammables etc.)</i>		x
Will the activity be located within or close to natural habitats or areas under consideration by the Government for official protection status? Will the activity potentially impact areas of known significance to local, regional or national cultural heritage?		X

¹ For purposes of the Screening form and assessment vulnerable groups shall Refers to either people below the poverty line, the landless, the elderly, women and children, and those who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement or other adverse social impacts than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

Will the activity involve import of living organisms, e.g. saplings, insects, animals, etc. or works that can impact sensitive environmental receptors?		X
Has the local population or any NGOs expressed concern about the proposed activity's environmental aspects or expressed opposition?		X
Is there any other aspect of the activity that would – through normal operations or under special conditions – cause a risk or have an impact on the environment, the population or could be considered as a nuisance (e.g. use of pesticides)?		X

B. Social Screening Check List

Screening indicators related to Land acquisition, assets and access to resources			
		YES	NO
Type of activity – Will the subcomponent:			
1	Require that land (private) to be acquired (temporarily or permanently) for its development		X (Land acquisition has been completed according to national regulations; none of the stated apply)
2	Affect more than 200 persons		X
3	Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)		X
4	Physically displace individuals, families or businesses		X
5	Result in the temporary or permanent loss of crops, fruit trees or household infrastructure		X
6	Result in the involuntary restriction of access by people to legally designated parks and protected areas		X
7	Result in loss of livelihood		X
8	Have negative impact to any vulnerable individuals or groups		X
9	Have negative impact to informal side road shops, traders or any nomadic type of commercial activity		X
10	Provide the opportunities to improve the informal side road shops, traders or nomadic type of commercial activity		X
11	Impact community Health&Safety		X
12	Impact internally displaced persons or refugees		X
13	Disrupt access to health care and education		X

5 AUDIT REPORT

5.1 Applied Audit procedures

PART 1: ADMINISTRATIVE DATA			
State	Serbia		
Name of the project	DISASTER RECOVERY DATA MANAGEMENT AND STORAGE CENTER – DATA CENTAR – I PHASE CONSTRUCTION		
Project scope and activities	Construction of State Data Center – technological and administrative part with external landscaping		
Institutional arrangements (Name and contacts)	Project management		
	Local Parties/Beneficiaries Data Centre Investors' and Users' Representatives	Contractor and responsible person (Main Engineer) Millennium Team – Zoran Ristić	Supervision (Supervising company and Engineer) Beopotez – Zoran Novakov
Audit			
Name of the main auditor	Nebojsa Pokimica		
Date of the audit	26.11.2021.		
Present parties	Vuk Veizovic, OITeG, Vojislav Kovacević, Millennium Team D.O.O. Dragoslav Tomovic OH&S, Millennium Team D.O.O		
DESCRIPTION OF WORKS			
Name of the Contractor	Millennium Team D.O.O. Adresa : Žanke Stokić 39 Beograd		
Chief Engineer	Zoran Ristić – Responsible Contractor; Representative of the General Contractor – Vojislav Kovačević		
Name of the sub-project	N/A		
Location of works	Kragujevac, cadastre lot 10418/7 KO Kragujevac 4, Kragujevac		
Date of the works start	November 4 th 2019		
Date of completion of works	December 31 st 2020		
Technical description of works	Architectural and construction works on the construction of the Data Center Facility with the associated external infrastructure and external landscaping of the complex. Equipping and performing works on installation systems.		

	Institution issuing permit	Permit		
Obtained permits	REPUBLIC OF SERBIA, CITY OF KRAGUJEVAC, City administration for urban planning, urbanism, construction and environmental protection, Department for joint procedure	Construction permit ROP-KRG-16917-CPI-1/2019 dated 20.06.2019		
	REPUBLIC OF SERBIA, CITY OF KRAGUJEVAC, City administration for urban planning, urbanism, construction and environmental protection, Department for joint procedure	Construction permit ROP-KRG-16917-CPA-6/2020 dated 17.06.2020		
LOCATION DESCRIPTION				
Name of the location	Cadastre lot 10418/7 KO Kragujevac 4, Kragujevac			
Location description	<p>State Disaster Recovery Data Centre – Data Center is located on the cadastre parcel no. 10418/7 K.O. Kragujevac 4, size of 4ha. It's a plot slightly trapezoidal in shape, previously undeveloped and covered with uncultivated greenery.</p> <p>The plot is bordered on the south-east side by Save Kovačevića Street, and on the other three sides by other plots that are undeveloped and covered with uncultivated greenery.</p> <p>There were no other buildings on the plot, no tall vegetation, and the plot itself is sloping.</p> <p>The location for the construction of the DRDC was chosen because it meets the following criteria:</p> <ul style="list-style-type: none"> • Excellent access to the site, positioned adjacent to recently built road with the necessary infrastructure. • The site meets the restrictive requirements for data centers of this type, including the following limitations: <ul style="list-style-type: none"> ▪ within 400m there must be no chemical industry, research laboratories, landfills, dams ▪ within 800m there must be no railway, highway, military base ▪ within 1600m there must be no airport, factory of purpose / military industry, ammunition factory, nuclear power plant. 			
Ownership	REPUBLIC OF SERBIA THE OFFICE FOR INFORMATION TECHNOLOGIES AND ELECTRONIC GOVERNMENT			
Geographical location	44°01'44.0"N 20°55'43.9"E			
Protected area	The location is not within or in the vicinity of protected areas			
Cultural heritage	There are no cultural and historic values located in the zone of works, neither archaeological sites.			
AUDIT METHODS				
Audit methods				
Audited documents	Document name	Document type	Institution issuing the document	Findings

	Operational permit	Decision of technical commission for trial operation	DELTA HOLDING	Use permit is issued - ROP-KRG-16917-IUP-16/2021 from 15.12.2021. issued by City administration for urban planning, urbanism, construction and environmental protection, Department for joint procedure
	Construction permit	Decision of issuing of construction permit No ROP-KRG-16917-CPI-1/2019, dated 20.06.2019, and revision of construction permit No ROP-KRG-16917-CPA-6/2020 dated 17.06.2020	City administration for urban planning, urbanism, construction and environmental protection, Department for joint procedure	Issued - No ROP-KRG-16917-CPI-1/2019, dated 20.06.2019, and revision of construction permit No ROP-KRG-16917-CPA-6/2020 dated 17.06.2020
	Statement of compliance with the national legislation			N/A (such statement is not required by the national legislation. Compliance is confirmed through use permit - Issued - No ROP-KRG-16917-CPI-1/2019, dated 20.06.2019, and revision of construction permit No ROP-KRG-16917-CPA-6/2020 dated 17.06.2020)
	Certificates of training and competence of workers (working with electricity, heights, chemicals, etc.)			Negative inspection findings were not recorded
	Attests of dangerous machinery and vehicles			Negative inspection findings were not recorded
	Report on functioning and safe electrical installations			Use permit - ROP-KRG-16917-IUP-16/2021

				from 15.12.2021. issued by City administration for urban planning, urbanism, construction and environmental protection, Department for joint procedure
	Report on functioning and safe installed equipment			Use permit
	Report on functioning and attested fire protection and alarming equipment and procedures			Use permit
	Emergency preparedness plan during works			Consent to the fire study and Emergency preparedness plan issued by the Ministry of Interior - 09.15.2.2 no. 217-17191 / 20-1 dated 26.11.2020.
	Emergency preparedness plan for the operational period			Consent to the fire study and Emergency preparedness plan issued by the Ministry of Interior - 09.15.2.2 no. 217-17191 / 20-1 dated 26.11.2020.
	Etc...Waste manifests			Yes (sample is enclosed in the annex)
	OHS trainings and certificates (as national legislation requests); OHS Plan			OHS Plan is a national legislation requirement. Negative inspection findings were not recorded
	Name	Position	Institution	Method
Participants in audit	Vuk Veizovic,	Head of DRDC	OITeG,	Interviewee
	Vojislav Kovačević	Representative of the General Contractor	Millennium Team D.O.O	Interviewee
	Dragoslav Tomovic	OH&S Expert	Millennium Team D.O.O	Interviewee

	Srdjan Sircev	Task Team Leader	WB	
Other present				

5.1 Audit Report public consultations

The E&S Audit report shall be disclosed on The Office for Information Technologies and Electronic Government website and website of the City of Kragujevac:

<https://www.ite.gov.rs/>

<https://www.kragujevac.rs/>

It is the responsibility of The Office for Information Technologies and Electronic Government to organize disclosure of subject document, announce call for public consultations at the local level, prepare and perform presentation of the document.

Alongside the document, an invitation for the public consultation will be published (e-format and printed media) and comments are invited to be submitted electronically and written submission thereof within a clearly defined time period (for a minimum of two weeks). Hard copies shall be made available at The Office for Information Technologies and Electronic Government premises and the City of Kragujevac administration. By the end of the disclosure period, the public consultation meetings for the E&S Audit shall be conducted, inviting stakeholders and the general public to proactively participate. The design and organization of the consultation meeting will take into account the COVID19 national and WHO rules and recommendations. If the measures related to the COVID19 pandemic would not allow the classic public consultations, virtual public consultation is to be organized where the subject document is disclosed and a set of activities is performed to ensure public awareness (public call for comments announced through newspapers, TV, radio, social networks; recording or live stream of the presentation etc.).

All comments and questions shall be processed and together with feedback incorporated in the final version of the relevant WB documents and captured in the minutes of the meeting.

5.2 Audit Report Table

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
Sub-project phase: Design				
Occupational Health and Safety	Safety of contractor's and sub-contractors' workers	Preparation, approval and implementation of OHS Plan prior start of activities, including Labor management procedures prior the start of activities	No impact identified Plan of Preventive measures Study on the management of construction site, safety and health measures at work and fire protection measures	Yes
Community safety	Community safety – impact to human health	Preparation, approval and implementation of Community Safety Plan	Community Safety Plan was prepared as a part of project documentation	Yes
	Traffic accidents	Preparation, approval and implementation of Traffic management Plan during project activities (in correlation with municipality staff, prior start the upgrading activities). Traffic management Plan will specifically deal with safety of the local population using the local roads (walking / driving) and pedestrians	Roads were always accessible during the works. In case one route is occupied, another alternative route would be provided for uninterrupted operation. Traffic management plan was prepared as a part of project documentation	Yes
	Community safety and climate change resilience	Design of the building reflects (i) the seismicity risks of the area and (ii) climate change impacts such as drought, heath, floods, vinds etc. by using reflective or light paint and roof tiles, inslulation, energy-efficient air conditioning, ensuring structural safety, etc.	Report on the performed energy audit for the purposes of preparing the energy certificate, Energy Efficiency Study and Energy Passport of the Facility; In compliance with relevant Law and bylaw	Yes
	Preventing access to homes, shelter and livelihood	It is essential for the Contractor to provide safety measures for the workers and local population who will use these subject roads for accessing their homes and agricultural fields, (e.g. usage of environmentally friendly type of equipment in term of noise level, vibration, easy rotation; short training to the workers should be delivered prior start working in order to provide careful handling with construction machinery, etc.)	Study on the management of construction site, safety and health measures at work and fire protection measures Local population does not use these roads for accessing their homes and agricultural fields	Yes
	Impact to human health	Preparation, approval and implementation of Waste Management Plan (with reuse/recycling activities included) prior start up activities;	Waste Management Plan (As defined by the Works contract for design and construction of Phase I DRDC, Waste Management	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
			Plan – Phase I has been developed in December 2019, Millennium Team d.o.o)	
	Transparency and safety	Start and finish of the works have been announced to Municipality, inspections, other competent authorities and local community;	There were no special objections to the competent authorities upon the report on the implemented works.	Yes
	Community safety	Design will include measures and solutions that allow access to all categories of population;	The facility has a specific purpose and access to it is done according to the established procedures of the User and owner.	Yes
Sub-project phase: Construction				
Occupational Health and Safety; General safety at the construction site	Safety of contractor's and sub-contractors' workers; Risk of accidents and injuries	Safe working conditions will be ensured at the site in the way that no accidents and injuries should take place. Works will be organized to avoid extreme temperatures and weather conditions.	No significant injuries or OHS accidents have been recorded or reported. No impact identified Plan of Preventive measures Study on the management of construction site, safety and health measures at work and fire protection measures	Yes
		The site will be fenced off and only authorised personnel will be allowed at the site. Warning boards with warning and OHS pictograms must be installed at the gate and working locations at the site.	The area of the whole construction site is fenced. Entrance to the complex is covered by physical and technical security (physical security and control of access). A security service was organized with two porters 24/7 hours for the needs of physical and technical security. At the entrance to the construction site there are information signs in accordance with the requirements of the Law and the Rulebook.	Yes
		Community and Worker's OH&S measures must be applied. Workers will be supplied with adequate Personal Protective Equipment (PPE). It will be worn at all times.	No issues were identified. All workers are equipped/wearing protective equipment. Responsible H&S representative of the contractor is regularly present at the site. Measures set by the Plan of Preventive measures and Study on the management of construction site, safety	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
			and health measures at work and fire protection measures are in place.	
		First aid kits will be supplied in significant amounts and workers trained to use them.	During the execution of works, the main contractor as well as all engaged subcontractors were supplied by first aid equipment as prescribed by the Study on the management of construction site, safety and health measures at work and fire protection measures; in compliance with the relevant Law and the Rulebook	Yes
		Workers will be acquainted with the Emergency Preparedness Plan. Sufficient stock of attested firefighting devices should be ensured for the case of fire. All workers must be familiar with the fire hazards and fire protection measures and must be trained to handle fire extinguishers, hydrants and other devices used for extinguishing fires.	All participants in the project, as part of the All participants in the project, as part of the Study on the arrangement of construction sites and protection for safe work, had training in case of fire and had available equipment for firefighting, had training in case of fire and had available equipment for firefighting; in compliance with the relevant Law and the Rulebook	Yes
		Roads will be kept clean	Roads were always accessible during the works. In case one route is occupied, another alternative route would be provided for uninterrupted operation. Roads are regularly maintained	Yes
	Risks for human health and community safety	Mobile toilets will be placed on the project sites (records keeping on maintenance services). Potable drinking water should be ensured on the site for the workers as well as water for cleaning purposes.	Mobile toilets and drinking water were provided at the construction site during the works.	Yes
	Safety of contractor's and sub-contractors' workers; Risk of accidents and injuries	Machinery will be attested and operated only by experienced and trained personnel, thus reducing the risk of accidents.	During the introduction of all hired contractors, a register of equipment and machinery as well as accompanying documentation was kept.	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
			Also the staff in charge of handling them.	
	Risk for human health	Transportation of the workers to be organized according the Covid-19 precautionary measures.	A plan for the physical and technical security of the construction site due to the risk of coronavirus COVID 19	Yes
	Safety of contractor's and sub-contractors' workers; Risk of accidents and injuries	Contractor will try to avoid compliance, if any appeared recording grievances and promptly response and overcome the problem.	There were no third party complaints during the works. There were no serious injuries at work, except for one minor injury.	Yes
		The workers need to keep the project location cleaning excessive waste debris and liquid spills regularly.	During the works, all waste was collected in designated area.	Yes
		Larger quantities of flammable liquids should not be kept at the site.	There were no flammable materials used during the works.	Yes
		All engaged workers on this project must have regulated employment status by Contractor/sub-contractor and must receive full health and pension insurance, all in compliance with local labor related legislation and International labour standards.	All engaged workers on the implementation of the project are employed in accordance with the Labour Law.	Yes
Air quality	Risk to human health and community safety	The construction site, transportation routes and materials handling sites should be water-sprayed on dry and windy days.	<p>During the execution of works, all access roads were maintained and regularly inspected by the Contractor. An increased concentration of dust was observed during site visit on September 15th 2020, as a consequence of transport, operations such as excavation, loading and unloading of material, from exposed storage piles and soil surface.</p> <p>The impact was temporary and limited to construction site.</p> <p>Recommended prevention and control measures of these emissions sources included:</p> <ul style="list-style-type: none"> • Use of dust control methods such as water suppression for open materials storage piles and paved or unpaved surfaces • Use of covers for storage piles, if possible. 	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
			The measures have been implemented and impacts reduced as confirmed at the following site visit on December 1 st 2020.	
		Materials used for upgrading should be stored in appropriate places covered to minimize dust.	Warehouse spaces were organized on the construction site in accordance with the project scheme.	Yes
		Vehicle loads that are likely to emit dust need to be covered.	Wheel washing was organized on the construction site in order to prevent dust emissions.	Yes
		In the event of dust episode, the workers must use protective masks.	Millennium has installed a wheel cleaning system on vehicles to reduce dust.	Yes
		Restriction of the vehicle speed within the location.	Restriction of the vehicle speed within the location is defined by the Study	Yes
		Perform regular maintenance of the vehicles and upgrading machinery in order to reduce the leakages of motor oils, emissions and dispersion of pollution.	The mechanization was maintained by authorized service technicians during the execution of works.	Yes
		Burning of debris and waste is strictly prohibited.	No waste incineration was carried out on the construction site.	Yes
		Materials used in construction do not cause secondary emissions deteriorating indoor air quality and creating health risk: e.g. radon emissions, paint, dyes, varnishes).	During the construction, all materials that were used are certified and do not affect the safe work of employees.	Yes
Noise	Impact on health and quality of life	The equipment should be fitted with appropriate noise devices that will reduce sound level;	As stated by the site representatives, construction has been restricted to 5 days a week and only dayshift (7 am to 5 pm). There are no households/receptors in the vicinity and no complaints have been filed so far. Therefore, it can be concluded that there are no noise impacts	Yes
		National legislation in noise levels must be adhered to.	Open construction site, no obligation to measure related to safety at work.	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
		The construction work should be not permitted during the night, the operations on sites shall be restricted to the hours 7.00 -19.0.	As stated by the site representatives, construction has been restricted to 5 days a week and only dayshift (7 am to 5 pm).	Yes
		The vehicles that are excessively noisy shall not be operated until corrective measures have been taken.	No vehicles that are excessively noisy have been used	Yes
Waste generation	Impact on human health, air, water and soil quality	<p>Identification of the various waste types generated during works (soil, humus, old asphalt, bottles, food, etc.).</p> <p>Classification of waste according the national List of Waste.</p> <p>Inert and non-toxic waste that can, should be recycled and reused when possible.</p> <p>Collection of waste (inert, hazardous, and other) must be collected and transported by licensed transporters and disposed at licensed landfills/processing plants</p>	<p>There are special areas for waste storage organized at the site. The following types of waste are generated:</p> <ul style="list-style-type: none"> • communal waste • packaging waste • construction waste. <p>Waste is separated and stored in a designated area. The area is not paved, though it is sufficiently maintained. There are no visible signs of spills/ leakages. Communal waste is disposed into 1,1 m3 container and packaging waste, mostly paper and foils, are collected in a 5m3 container. At the time of site visit, overfilling of container for recyclable waste was observed. These streams are collected by Public Utility Company 'Šumadija' Kragujevac. Records on movement of waste are available.</p> <p>Construction waste is collected by the authorized waste collection company.</p> <p>In compliance</p> <p>Recyclable waste (mostly packaging waste – paper/cardboard and foil) is sorted, separately collected and handed over to Public Utility Company</p> <p>Waste is collected by the licensed public utility company and disposed at the municipal landfill. Hazardous waste are collected by the company with valid permits.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
		Excess non-toxic mineral waste (soil) can be disposed at the site approved by Municipality.	Excavated material (soil) is transported to the designated area in the City, according to the obtained approval from the competent authority.	Yes
		The possible hazardous waste (excess oils, vehicle fuels, lubricants, dyes, thinner, contaminated packages, cloths, etc.) must be stored in adequate containers (separately, not mixed) with leaking protection, placed on a secondary containment with impervious surfaces constructed with materials appropriate for the wastes being contained, tightly closed and checked on any leakages (every day check). The closed containers should be protected from direct sunlight, wind and rain and at the sufficient distance from each other to allow spills inspection.	Hazardous waste is not generated at the site.	Yes
		The possible hazardous waste will be collected separately and authorized collector and transporter will be sub-contracted to transport and finally manage the hazardous waste (export out of RNM as there is no landfill for hazardous waste, or reuse/recovery in the authorized licensed IPPC installation).	Hazardous waste is not generated at the site.	Yes
		Sufficient number of containers for various types of wastes are available at the site. Containers are marked appropriately.	Communal waste is disposed into 1,1 m3 container and packaging waste, mostly paper and foils, are collected in a 5m3 container. Overfilling of containers was observed at the site visit on December 1 st , recommended mitigation measures implemented as confirmed at the following site visit.	Yes
		The records on waste generated, collected and transported should be kept as well as Transportation lists.	Records on accounts and provided services of the public utility company are kept	Yes
		Burning of waste along or around the project locations is strictly prohibited.	No waste incineration was carried out on the construction site.	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
Water and soil	Water and soil protection	Anticorrosion protection is performed at the plant, not at the site.	All preparations were made outside the construction site.	Yes
		Only certified and approved materials (concrete, lime, stone, etc.) has been used.	All used materials are attested and approved by accredited bodies. Appropriate measures for management of construction works materials and waste set by the technical documentation in order to prevent negative impacts to soil are in place. There have been no significant impacts to soil identified.	Yes
		Only non-contaminated water can be used in building.	Potable water is supplied from the Municipality water network.	Yes
		Measures are taken to prevent landslides and soil erosion.	There were no landslides	Yes
		Diesel generators will have a bund of at least 110% capacity of the oil tank.	There is bunded tank for diesel generator	Yes
		Potable water is supplied from the Municipality water network. No new water wells were made.	Only potable water supplied from the Municipality water network is used	Yes
		Wastewater collection systems of the building are connected to the Municipality wastewater collection and treatment system. Storm runoff collection systems is connected to Municipality surface runoff system or similar system that prevents flooding of the surrounding (or any another) area.	There is no discharge of wastewater from the site. Two types of wastewater are generated: Stormwater – includes any surface runoff and flows resulting from precipitation, containing suspended particles, traces of mechanical oil and fuel, etc. Stormwater is collected by the open ditches/gutters with installed grease and oil water separators, and further discharged to the nearest drainage canal or road ditches along the planned roads within the scope of the Detailed Regulation Plan and in accordance with the Water permit. Sanitary wastewater – domestic sewage from mobile toilets. Mobile toilets are emptied	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
			regularly by the Public Utility Company 'Vodovod i kanalizacija' Kragujevac, records/ delivery notes are available. No impacts have been identified.	
Management of materials	Health impact and community safety	All mineral materials (lime, cement, stone, sand, etc.) has been procured from producers that have valid concessions and operating licenses.	All used materials are certified, the usage of materials is monitored by the expert supervisor.	Yes
		Asphalt base is not installed at the site.	Not installed at the site, asphalt is delivered	Yes
		Hazardous materials will be managed in line with the Material Safety Data Sheets	No hazardous materials have been used at the site	Yes
		During the temporary storage on site all hazardous or toxic substances will be kept in safe containers labeled with details of composition, properties and handling information. These containers should be leak-proof in order to prevent spillage and leaking. The containers will be equipped secondary containment system such as bunds (e.g. bunded-container), double walls, or similar. Secondary containment system must be free of cracks, able to contain the spill and be emptied quickly. The containers with hazardous substances must be kept closed, except when adding or removing materials. They must not be handled, opened, or stored in a manner that may cause them to leak.	No hazardous materials have been used at the site	Yes
		Paints with toxic ingredients or solvents or lead-based paints will not be used.	Not used	Yes
Cultural heritage	Risk for chance findings	In the case of chance findings, works will be stopped immediately and competent authorities informed. Contractor will follow their instructions and works will resume upon competent authority's approval.	There are no cultural and historic values located in the zone of works, neither archaeological sites. The Opinion of the Institute for Protection of Monuments was obtained	Yes
Nature protection	Impact to biodiversity	All green surrounding space will be restored to the original state or upgraded. Only native species or	All green surrounding space will be restored to the original state or upgraded	Yes

E&S Aspect	Potential impact	Required measure	Observation of the impact	Compliance to Safeguard Policies (OP 4.01) and National legislation Assessment
		those approved by the national regulation were used in greening.		
		Discarding waste to near watercourses and/or burning of waste is strictly prohibited.	All waste has been handed over to authorized company	Yes
		Disturbing animals is strictly forbidden.	There was no such case.	Yes
Sub-project phase: Use phase				
Community safety	Impact to human health and safety	Use permit is obtained before it is populated and used.	In the process of obtaining, expected in December	Yes
		The Beneficiary prepared Emergency Response and Rescue Procedures for the building is put to use.	The Main Contractor drew up evacuation plans and set them up in designated areas.	Yes
		The Beneficiary prepared Maintenance and Safety Plan and Procedures for the building is put to use. This will include management of transformers in line with the Stockholm convention. Transformer station is run and maintained by the PUC Elektroprivreda Srbija.	The Main Contractor has developed procedures and instructions for the use of the facility and the system.	Yes
		No release of untreated wastewaters is taking place. Spread of water-born diseases is prevented.	Building is connected to municipal wastewater collection system and potable water supply system. Tanks containing hazardous liquids (e.g. in transformers, diesel generators, etc.) are banded or equipped with non-permeable collection tanks of 100% capacity of original tanks as well as protected from weather conditions. .	Yes
		Waste collection will be organized for the building so illegal dumping is avoided.	Licensed waste collection and disposal companies will manage waste generated in the building.	Yes
		Prevent emissions from CO emissions from diesel generators, and detect if emissions occur, in the use phase. Take measures to protect lives and health for employees and users.	Rooms where generators are located are equipped with CO detectors and alarms. Generators are located in well ventilated rooms not accessible to non-authorized persons.	Yes

5.3 Final observation and recommendations

The first phase of the project was done in full accordance with the projects and requirements of the ESMF, all measures envisaged were adequately implemented.

5.4 Final Compliance Assessment/Conclusion

6 SUPPORTING DOCUMENTATION

ЈАВНО КОМУНАЛНО ПРЕДУЗЕЋЕ
**ШУМАДИЈА
КРАГУЈЕВАЦ**

Крагујевац 7.12 2020

П О Т В Р Д А No 000437

Потврђујемо да нам је ЈКП Шумадија Крагујевац дана 20 год. извршило услугу Достављање услуге за интернет 2x7m³

Услугу ћемо платити у готовом новцу

а фактуру испоставити на адресу DATA CENTAR

Услугу извршио, [Signature] Потпис корисника услуге, [Signature]

..21 (IP.01.01)

3.1.1 Photo documentation

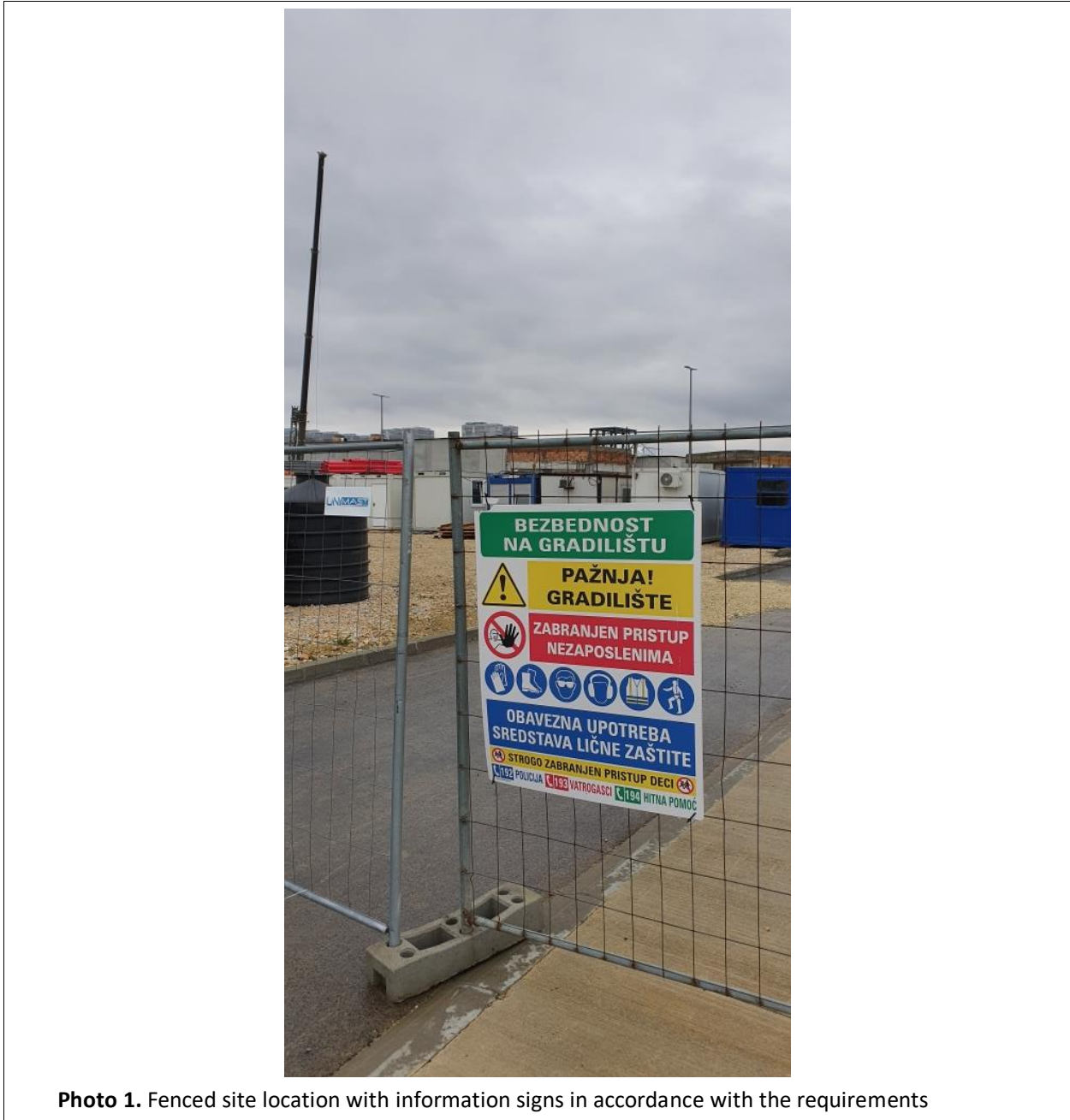


Photo 1. Fenced site location with information signs in accordance with the requirements



Photo 2. Disaster Recovery Data Center, Phase 1



Photo 3. Disaster Recovery Data Center, Phase 1



Photo 4. Storage of construction material