

**MONTENEGRO: LAND ADMINISTRATION AND
MANAGEMENT PROJECT**

ENVIRONMENTAL ASSESSMENT REPORT

REPORT

Podgorica, February 2008

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1. EXECUTIVE SUMMARY

This Report contains findings of the Environmental Assessment for the Montenegro Land Administration and Management Project, which was prepared by the Real Estate Administration Department of the Ministry of Finance of Montenegro. The report is prepared under the terms as described in the World Bank OP/BP 4.1 and relevant Montenegrin legislation.

The government of Montenegro has requested the World Bank's assistance in addressing the challenges and constraints of the land administration, registration, cadastre planning and permitting procedures. The Ministry of Economic Development (MED), Ministry of Finance (MOF) and the Real Estate Administration Department (READ) have requested assistance to strengthen their capacities and improve the speed and ease of registering property rights, upgrade access to cadastral maps for municipalities and other users and to help to improve the regulations and procedures for obtaining construction and business operation permits. As a response to above demands the proposed Land Administration and Management Project has been developed.

The proposed project has four components, as follows:

- Component A: Land Administration
- Component B. Permitting and Planning
- Component C. Business Environment Improvement
- Component D. Project Management

This project is classified as Category B, requiring partial Environmental Analysis, but not a full-scale Environmental Assessment. An environmental analysis which was carried out as part of the project preparation activities to identify potential direct and indirect environmental impacts associated with the project, found that potential adverse environmental impacts of the project are minor to negligible. In cases where the negative environmental impacts are identified, adequate mitigation measures have been proposed. There are no significant, long-lasting and irreversible negative impacts associated with the project execution and implementation.

The project component and sub-component that could have negative impacts (if not mitigated) is Component A, sub-component A1 – Real Estate Administration, Improvement of the Registration Services at the READ offices.

Monitoring compliance in accordance with findings of this Report and requirements of EMPs, including progress monitoring on EMP's implementation will be undertaken by READ at least twice per year. The environmental monitoring and supervision reports will be prepared twice per year. Those will be submitted to the World Bank for the review and endorsement.

2. INTRODUCTION AND BACKGROUND

Urban land management and planning, construction permitting and inspection are important for the orderly development of any country, and they should promote the general public good without presenting barriers to foreign and domestic investors to start and grow their businesses. Montenegro also plans to join the EU so orderly planning and land management will be needed to meet the EU's standards on environmental protection, rule of law and protection of private property.

The Montenegro Land Administration Management Project will aim to improve the provision of regulatory and administrative services in reference to permitting and property regulation, to the general public and enterprise sector by simplifying and integrating service delivery within each municipality. At the same time, the project will support harmonization of municipal and central government regulatory functions and regulatory framework.

The beneficiaries of the investment will be: (a) the public living within the municipalities, as more order is brought to the built environment; and (b) the business community, as more transparent and efficient processes for the establishment and operations of a business are facilitated. The level of new informal construction and building development should be drastically reduced, such that unsustainable and unattractive developments are curtailed, yet the business community and the private citizens will be able to develop their own assets with greater ease and security. By the end of the project it should be possible for the public to easily access information about the legal situation with regard to a property and the processes required for developing a business or property. The zone plans and the forms and procedures for registering property rights, applying to develop a property or obtain the necessary permits and licenses to establish their business activity should be simplified and easily available. This should result in less illegal developments and informal businesses, and greater investment through formal procedures. The outcomes will be measured by a reduction in percentage of the time spent on the compliance with the regulatory requirements, reduction in the number of steps and days required for registration or receiving permits and other documents, and better access to information.

The project will be divided into three main components: the first dealing with real estate administration; the second with planning and inspections; and the third with streamlining the regulatory environment for business entry and operations. A fourth component will cover project management.

3. PROJECT DESCRIPTION

The proposed project has four components, as follows:

- Component A: Land Administration
- Component B: Permitting and Planning
- Component C: Business Environment Improvement
- Component D: Project Management

Brief description of each component is presented below. Further information on each component is available in the Real Estate Administration Department (READ).

Component A: Real Estate Administration

Subcomponent A1: Improving the Registration Services at the READ Offices.

The demand for registration of transactions following sales, mortgages and leases is growing rapidly. The number of registered transactions in 2006 was double the figure from 2005, and the rate of increase is continuing in 2007. The most seriously affected office is Podgorica, where staff are lacking space to undertake their work and have no suitable space for customer reception, archives or the desks and equipment needed for the staff. These conditions are mirrored across the country. The government will be constructing a new building for the READ administration and Podgorica office during 2008 to 2009, and the project will assist some of the other offices to improve their facilities. When designing new or improved building facilities, the work flow will be improved and corruption mitigation measures put in place. The sites selected for improvement using Loan funds will act as models for other locations. The sites to be renovated will be selected according to the most pressing need. This subcomponent will include:

- building renovations, provision of furniture and equipment for selected offices;
- records management strategy and improvements to archives;
- training for staff.

Subcomponent A2: Information System Development.

The GIS department at READ already has alphanumeric software (TerraSoft) and a variety of graphical software (MAPSoft, Digit 98 I DMapBase and TerraDGP). The local and central offices are connected in a Wide Area Network, but the graphical and alphanumeric data are not automatically linked. There is information access to the public via the READ website, but it needs to be improved and include the graphic data. The mid-term strategy outlines the programme for improving the information systems and the project will assist with:

- development of the ICT strategy;
- user needs analysis and creation of data standards and agreements;
- new data models;
- implementation of a Geoportal for public access;
- software development, licenses and hardware purchase as necessary;
- training for all staff.

Subcomponent A3: Provision of Basic Maps.

Municipalities require basic maps at 1:5,000 scale in order to produce General Urban Plans (GUP). The work undertaken by READ is free of charge, and READ already has 2007 photography and photogrammetric capacity that can be used as a basis for producing the basic maps required by municipalities for producing the GUP. Detailed Urban Plans (DUP) also require additional information that has to be gathered at great cost, but the basic map for the general urban plan can be produced quickly and at little cost.

This Sub-component will ensure that the photogrammetric/ cartographic department has sufficient capacity to produce basic maps. The subcomponent will include:

- provision of software licenses and training;
- production of basic maps and the cadastral index layer for selected sites¹ in the mountainous areas.

Component B: Improving Planning and Permitting

Subcomponent B1: Improving the Planning Process and Completion of Plans.

The project will finance the preparation of local spatial plans and GUPs in the majority of municipalities, and in particular in those having limited financial and human resources. The preparation of these plans will follow the procedure established in the present planning law. This activity will be carried out taking into account what other donors (GTZ, UNDP) are planning in the municipalities in order to avoid overlapping and/or duplication. It would also support possible further development of the Urban Planning Management System, the Urban Planning Geoportal and e-services at the central level.

The subcomponent will include:

- completion of spatial and general urban plans;

¹ Initially identified locations are: Žabljak, Šavnik, Plav, Rožaje, Berane, Andrijevića and Mojkovac

- detail planning standards and preparation of planning manual, regulations, data standards, etc. and their dissemination;
- public awareness campaign(s) to accompany planning process and public participation;
- support to MED for monitoring of preparation and completion of plans. Strengthening legal framework (by-laws, regulations, etc.), and possible support for automation and IT systems development; and
- training for private sector planners in the new standards, etc.

Subcomponent B2: Improving Planning at the Municipal Level.

This sub-component will provide the planning departments in the municipalities with the necessary training and equipment to prepare and implement the municipal plans. The equipment will include computers, printers, plotters, and software (mainly Autocad and other common software). This activity will be carried out taking into account what other donors (such as GTZ) are planning in the municipalities in order to avoid overlapping and/or duplication.

The subcomponent will include:

- purchase of necessary equipment and software for the municipality planning offices for up to 21 municipality;
- training of staff in new planning standards, implementation of planning manual and how to read and maintain GUPs.

Subcomponent B3: Improving Construction Permitting and Inspection.

The provision of updated base maps and the preparation of digital planning documentation will have an impact on the timing required to issue the building permits. This sub-component will study the possibilities for further reducing the steps required for issuing of building and use permits in conjunction with the ongoing administrative reforms aimed at reducing the barriers for business development. This sub-component will finance:

- process improvement and simplification for construction and use permitting in the municipalities;
- public awareness campaign(s) and production of brochures and online information to increase transparency of process;
- training on improved processes;
- training and TA for inspections units in 21 municipalities; and
- hardware and software for municipal inspection and construction permitting departments as needed.

Component C: Business Environment Improvement

Subcomponent C1: Regulatory Simplification and Improvement of Quality of Service Provision at Municipal Level.

This sub-component will finance consultants to assist pilot municipalities in redesigning procedures related to issuance of selected licenses/permits through regulatory simplification, streamlining procedures, requirements and work flows based on principles of one-stop-shop approach to ensure that licenses/permits are issued quickly and without imposing unnecessary burden on entrepreneurs. Pilot municipalities (perhaps 5 or 6) will be selected based on commitment of municipal authorities to improving business environment and service provision to businesses. Specific activities under this subcomponent will include:

- preparation of model documents, including municipal assembly decisions regarding simplification of licensing/permitting procedures;
- development of new standardized operational procedures and preparation of a model operating manuals;
- training of municipality staff in new internal operating procedures and databases utilization;
- preparation of proposals for amendments of national laws and regulations affecting licensing/permitting procedures at municipal level, (if required);
- development of relevant contents for municipal and MED websites identifying all steps involved in getting licenses and documentation required for each step, list of relevant local and national decisions/regulations, appeal procedures, etc.
- support of public-private consultations regarding simplification of business regulations and improvement of business service provision;
- contribution to public awareness campaigns in municipalities informing business and general public of introduction of new simplified regulatory regimes;
- rolling out the results of the first pilots to other interested municipalities through training, sharing experience and technical assistance in adopting the approaches tested in pilot municipalities.

Subcomponent C2: Improvement of Licensing/Permitting Regulatory Framework.

This sub-component will finance technical assistance to the government authorities in optimizing and harmonizing regulatory framework for licensing/permitting. This may include drafting amendments to existing national legislation and implementation regulations and by-laws to remove obstacles to municipal regulatory simplification and ensure adequate regulatory simplification at the national level, developing recommendations to rationalize the licensing regime by eliminating out-dated licensing requirements, and development of recommendations to harmonize municipal and national regulatory frameworks. This component may also support other selected priorities in improving business regulatory

framework and removing administrative barriers (to be confirmed in the course of project preparation after the approval of Government Program on Administrative Barriers Reduction and in coordination with FIAS-funded program).

Subcomponent C3: Capacity Building for Regulatory Simplification.

This sub-component will focus on capacity building activities for the MED, other relevant agencies, as well as municipal authorities in design, implementation and monitoring of regulatory simplification program, improving quality of the regulatory framework, and reducing administrative constraints to private sector development. This subcomponent will finance:

- training, best practice workshops and seminars;
- public consultation activities and study tours for key staff to selected countries where similar reforms were implemented.

Component D: Project Management

The Technical Services Unit under the Ministry of Finance will provide fiduciary support for the project. Additional consultants will be hired to provide support to the MED as they do not have the resources to manage the project activities or manage the activities that will be based at the municipal level. It is estimated that at least a project manager, two or three planners, a trainer, and an IT specialist will be required and will be financed under this component.

4. OVERVIEW OF THE LEGAL FRAMEWORK IN PLANNING AND ENVIRONMENTAL SECTORS IN MONTENEGRO

Urban land management and planning, and construction permitting and inspection are important for the orderly development of any country, and they should promote the general public good without presenting barriers to foreign and domestic investors to start and grow their businesses. Montenegro also plans to join the EU so orderly planning and land management will be needed to meet the EU's standards on environmental protection, rule of law and protection of private property.

Since 2002 Montenegro has made significant progress in developing strategic documents and plans related to environmental protection, most of them linked with the EU accession. The progress is being made on the basis of the European Partnership Agreement and relevant parts of the European Partnership Implementation Plans.

The planning sector in Montenegro is governed by the Law on Physical Planning and Development approved in May 2005. The Law regulates the fundamentals of physical planning and development; types, content and procedures for preparing and adopting planning documentation; it establishes the requirements for the preparation of the planning documents and their enforcement; and it provides for monitoring of the implementation of these planning documents.

National spatial planning is the task of the Planning Sector within the Ministry of Economic Development (MED) and urban planning is performed by the planning departments of the municipalities (21). The National Spatial Plan (NSP) for Montenegro has been prepared, and it is currently in the formal review process and is expected to be adopted by the end of 2007. Once approved, the National Spatial Plan will constitute the overall framework based on which local planning can be done.

Once the NSP is adopted the 21 municipalities will have to amend or prepare new local spatial plans and General Urban Plans (GUP). Some municipalities are already preparing the documentation to be ready to tender their new plans immediately and in a few cases the plans are already underway.

The construction sector in Montenegro is regulated by the Law on Structure Construction approved in November 2000. The Law regulates the construction and reconstruction of structures and the procedures for issuing the building permits. Article 70 of the law establishes that within two years from the law coming into force (i.e. December 2002), municipalities had to prepare lists of structures constructed without building permit or without use permit and initiate the proceedings to determine the possibility to issue the permits or demolish the structures (where the issuance of the permits is not possible, i.e. interfering with public interest or in protected areas). These measures were to be taken within one year from the preparation of the lists (in other words the deadline was December 2003). This is only now beginning to happen in an organized fashion and so far the focus has been on the coast.

A series of environmental protection strategies on water, waste and wastewater were adopted in 2004 and 2005, which are based on priorities identified by municipal authorities. Other important strategic documents with environmentally-related components adopted in period between 2003 and 2007 are The Poverty Related Strategy, Energy Efficiency Strategy, Tourism Development Strategy, Administrative Capacity Building Action Plan, National

Environmental Action Plan, Strategic Environmental Assessment Capacity Development Strategy and Environmental Acquis Strategy.

The 1996 Law on Environment lays down the main principles for environmental protection, such as polluter-pays principle, environmental impact assessment and data transparency. Few bylaws have been developed to implement these principles.

The set of environmentally related laws, comprising of the Law on Environmental Impact Assessment (EIA), Law on Strategic Environmental Assessment (SEA), Law on Integrated Pollution Prevention Control (IPPC), Law on Waste Management and Law on Environmental Noise were adopted in 2005, but will enter into force only in 2008.

The Law on Environmental Impact Assessment defines the complete EIA procedure, from screening to approval, including public participation and transboundary effects.

Similarly to Law on EIA, the 2005 Law on Strategic Environmental assessment defines the complete SEA procedure, from screening to approval, including public participation and transboundary effects.

The Law on Integrated Pollution Prevention Control (IPPC) regulates environmental pollution, prevention and control by issuing integrated permits for installations and activities that may have negative impact on human health, the environment and material resources. It lays down measures designed to prevent or reduce emissions in the air, water and land form the activities defined by sub-regulations, including measures concerning waste, efficient energy consumption, reduction of noise and vibrations, use of raw materials, prevention of accidents and risk assessment. The integrated permitting system is based on the concept of best available techniques (BAT).

The Law on Waste Management establishes the basic legal framework and conditions created for the implementation of the National Strategic Master Plan for Waste Management. The law prescribes the requirements for the elaboration of waste management plans; defines competencies, responsibilities and obligations related to waste management; and set the principles of management of special types of waste, its incineration, disposal and storage.

The Law on Environmental Noise regulates noise emissions and their impact and establishes measures to reduce the harmful effects of noise on human health.

All these laws are important steps in the harmonization of the national legislation with the EU environmental acquis. They create a basis for the correct formulation of other, more specific laws. The assessment of projects and programs will use the same parameters and procedures, including the procedure for public participation, as those applied in EU. Implementation of those laws, if carried out properly, will create more effective and transparent permitting, better enforcement and streamlined data collection and reporting. Due to very demanding skill and experience requirements, the full implementation of above environmentally-related laws has been postponed until 2008.

Other environmentally-related laws that may have impact on the Project and are under development are: Amendment to the Law on Environment (creating the Environmental Protection Agency), Law on Chemicals and Law on Nature Protection.

5. PROCEDURES FOR ENVIRONMENTAL ASSESSMENT FOR THE PROJECT DEVELOPMENT REQUIRED UNDER MONTENEGRIN LEGISLATION

EA and EIA

The Law on Environment requires an EIA for any project that may have adverse effects on the environment. The Regulation on Environmental Impact Assessment (OG RM No.14/1997) prescribes activities subject to EIA, preliminary assessment procedures, public participation in decision-making, the procedure for the evaluation and verification of EIA and the criteria for assessment report. As a part of the EIA, an environmental protection program has to include impact assessment in the event of accident or emergency, register of a type, quantity and method of disposal or release of detrimental or hazardous substances and deadline for respective measures for the proposed project or activity. The regulation sets down about 80 categories of activities requiring EIA.

Until the new Law on Environmental Impact Assessment (OG RM No. 80/2005) is enforced in 2008, the way the EIAs are regulated gives public officials considerable freedom to avoid public participation. Public participation for an EIA is not mandatory and is left to the discretion of the Ministry to organize public hearing for major projects and to define the procedures for public hearing. On the basis of an approved EIA the Ministry issues an ecological permit containing the prevention and mitigation measures identified in EIA.

As already noted, the 2005 Law on Environmental Impact Assessment defines the complete EIA procedure, from screening to approval, including public participation and transboundary effects. Under the EIA potential or indirect impacts of a planned project on human life, health, flora and fauna, land, water, air, climate, landscape, material resources and cultural heritage should be identified, described and assessed. EIAs should be carried out for projects on industry, mining, transport, energy production, transport, tourism, agriculture, forestry, water management, utilities, and for all projects that are planned in protected natural zones and within the protected surroundings of national monuments.

For projects for which the permit and authorizations are issued by other competent national authorities, the EIA procedure shall be implemented by the national authorities responsible for environmental protection. Where projects for which the permits and authorizations are issued by other competent self-government authorities, the EIA procedure shall be implemented by the authorities responsible for environmental protection in the local self-government unit. In cases when a project has transboundary effects on the environment, the Law prescribes the procedure for informing the other affected State.

Other Permits

The construction permits, engineering survey, design and construction standards and regulations are governed by the Law on Construction (OG RM No. 55/00). The Law sets out the procedures for new construction, as well as the renovations, or as the Law address them the “the adaptation of the part of construction that is already in use“. For adaptation of part or reconstruction of the construction that is already in use the Law does not require obtaining approval for construction.

6. PROCEDURES FOR ENVIRONMENTAL ASSESSMENT FOR PROJECT DEVELOPMENT UNDER WORLD BANK PROCEDURES

The World Bank requires that an environmental assessment (EA) of projects proposed for Bank financing warrant their sustainability and environmental solidity, and thus safeguard democratic decision-making process. Under the Bank's regulations the borrower is responsible for carrying out the EA in compliance with both the country's legislation and the Bank's regulations.

An EA is a process whose breadth, depth, and type of analysis depend on the nature, scale, and potential environmental impact of the proposed project. An EA evaluates a project's potential environmental risks and impacts in its area of influence; it examines project alternatives; identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout project implementation. The World Bank favours preventive measures over mitigation or compensatory measures, whenever feasible.

EA take into account the natural environment (air, water, and land); human health and safety; social aspects (involuntary resettlement, indigenous peoples, and cultural property); and transboundary and global environmental aspects. EA consider natural and social aspects in an integrated way. They also take into account the variations in project and country conditions; the findings of country environmental studies; national environmental action plans; the country's overall policy framework, national legislation, and institutional capabilities related to the environment and social aspects; and obligations of the country, pertaining to project activities, under relevant international environmental treaties and agreements. The World Bank does not finance project activities that would contravene such country obligations, as identified during the EA. EA is initiated as early as possible in project processing and is integrated closely with the economic, financial, institutional, social, and technical analyses of a proposed project.

EA Instruments

Depending on the project, a range of instruments can be used to satisfy the World Bank's EA requirement: environmental impact assessment (EIA), regional or sectoral EA, environmental audit, hazard or risk assessment, and environmental management plan (EMP). EA applies one or more of these instruments, or elements of them, as appropriate. When the project is likely to have sectoral or regional impacts, sectoral or regional EA is required.

Environmental Screening

The World Bank undertakes environmental screening of each proposed project to determine the appropriate extent and type of EA. The World Bank classifies the proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts. The current project has been classified by the World Bank as a Category B project.

A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. The scope of an EA for a Category B project may vary from project to project. The EA examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B EA are described in the project documentation (Project Appraisal Document and Project Information Document).

Public Consultation

For Category B projects proposed for financing, during the EA process, the borrower consults project-affected groups and local non-governmental organisations (NGOs) about the project's environmental aspects and takes their views into account. The borrower initiates such consultations as early as possible.

Disclosure

For meaningful consultations between the borrower and project-affected groups and local NGOs on all Category B projects proposed for IBRD or IDA financing, the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted.

Any separate Category B report for a project proposed for financing is made available to project-affected groups and local NGOs. Public availability in the borrowing country and official receipt by the World Bank of Category B EA report for projects proposed for funding, are prerequisites to World Bank appraisal of these projects. Once the borrower officially transmits the separate Category B EA report to the World Bank, the World Bank makes it available through its Info-Shop.

Implementation

During project implementation, the borrower reports on (a) compliance with measures agreed with the World Bank on the basis of the findings and results of the EA, including implementation of any Environmental Management Plan (EMP), as set out in the project documents; (b) the status of mitigation measures; and (c) the findings of monitoring programs. The World Bank bases supervision of the project's environmental aspects on the findings and recommendations of the EA, including measures set out in the legal agreements, any EMP, and other project documents.

7. MAIN IMPACTS OF THE PROJECT

Component A: Real Estate Administration

Subcomponent A1: Improving the Registration Services at the READ Offices: This subcomponent will support investments in renovation and refurbishment of READ offices, building renovations, provision of furniture and equipment for selected offices; records management strategy and improvements to archives; and training for staff. Adverse environmental impacts are related to execution of civil works at READ offices, with locations that are currently only preliminary identified. Although the offices are located mainly in urbanized areas where major impacts will be related to dust, noise and management of construction debris, negative impacts related to natural heritage sites, cultural heritage or transport and tourism could be expected in case of buildings that are located within already protected or intensively developed tourism locations.

In respect to works on municipal and central READ offices, the Contracts for civil works under the Project will be subject to screening for environmental impacts by the responsible national environmental entity. In case that it is found required according to newly enacted national legislation, the full environmental permitting process and due diligence according to relevant national legislation will be observed. Additionally, prior to start of the design work, the Environmental Management Plan and Check-List (EMP) will be prepared and completed for each site location (READ office) to ensure adherence to key-elements to meet the World Bank Environmental Assessment requirements under OP 4.01. The EMP and Check-List will be subject to Bank's approval prior to start of any construction activity. All bidding documents and contracts will include measures to minimize or mitigate environmental impacts. Good engineering practices will include, but not be limited to, measures to minimize impact of dust, noise and traffic at construction sites, as well as management of the construction waste. The measures to deal with above issues will be identified and proposed in EMP. The sample format of EMP AND Check-List is attached to this document as Annex A.

Subcomponent A2: Information System Development: There are no identified environmental issue, as this subcomponent will deal with improvement of the information systems, development of the ICT strategy; new data models and general development of software.

Subcomponent A3: Provision of Basic Maps: There are no foreseen potential adverse effects as the efforts are centred on production of basic maps and the cadastral index layer for selected sites in the mountainous areas, provision of software and training.

Component B: Improving Planning and Permitting

Subcomponent B1: Improving the Planning Process and Completion of Plans: Under the project subcomponent the project will finance the preparation of local spatial plans and GUPs in the majority of municipalities, possible further development of the Urban Planning Management System, the Urban Planning Geoportals and e-services at the central level. As such, the project subcomponent will not have any negative environmental impact. The activities on development of local spatial plans and GUPs will have positive environmental

impact, as it will create preconditions for effective, timely and non-biased enforcement of the national and local planning and development legislation.

Subcomponent B2: Improving Planning at the Municipal Level: This sub-component will provide the planning departments in the municipalities with the necessary training and equipment to prepare and implement the municipal plans. The equipment will include computers, printers, plotters, and software. Those activities will not have negative environmental impact

Subcomponent B3: Improving Construction Permitting and Inspection: There are no foreseen potential adverse effects as the efforts under this subcomponent are centred on process improvement and simplification for construction and use permitting in the municipalities; public awareness campaign(s) and production of brochures and online information to increase transparency of process; and training and TA for inspections units in municipalities. The activities under this subcomponent will enable the local inspectorates to perform their duties with clearer mandate and in such a way will enable improvement of the local environmental standards and conditions.

Component C: Business Environment Improvement

Subcomponent C1: Regulatory Simplification and Improvement of Quality of Service Provision at Municipal Level: There are no negative environmental impacts associated to this subcomponent, as it will finance consultants to assist pilot municipalities in redesigning procedures related to issuance of selected licenses/permits. Simplification of the procedures and preparation of model documents, standardized operational procedures and all steps involved in getting licenses and documentation required for each step will improve the overall business environment and contribute to strengthening of the local permitting and enforcement institutions, including the ones responsible for the environment.

Subcomponent C2: Improvement of Licensing/Permitting Regulatory Framework This sub-component will finance technical assistance to the government authorities in optimizing and harmonizing regulatory framework for licensing/permitting, including municipal regulatory simplification, rationalization of the licensing regime and development of recommendations to harmonize municipal and national regulatory frameworks. This subcomponent has no directly associated negative environmental impact

Subcomponent C3: Capacity Building for Regulatory Simplification. There are no identified environmental issues related to this subcomponent. It will focus on capacity building activities for the MED, other relevant agencies, as well as municipal authorities in design, implementation and monitoring of regulatory simplification program, improving quality of the regulatory framework, and reducing administrative constraints to private sector development.

Component D: Project Management

This component will provide fiduciary support for the project in form of consultants hired to provide support to the MED to manage the project activities or manage the activities that will be based at the municipal level. There are no environmental issues identified that are relevant to this component.

8. ENVIRONMENTAL MITIGATION AND MONITORING PLANS

Sample Environmental Mitigation and Monitoring Plan and Check-List are attached as Annex A to this Report.

9. CONCLUSIONS AND RECOMMENDATIONS

The Report contains findings of EA for the Montenegro Land Administration and Management Project, which was carried out in accordance with the Montenegro and World Bank requirements.

The Report presents the project background; project description; national legal framework of planning and environmental sectors; procedures for environmental assessment for project development required under the national legislation, including permitting procedures; procedures for environmental assessment for project development under the World Bank procedures; main environmental impacts of the proposed project; sample Environmental Management Plan and Check-List; conclusions and recommendations and summary record of public discussion.

This project is classified as Category B, requiring partial Environmental Analysis, but not a full-scale Environmental Assessment. An environmental analysis which was carried out as part of the project preparation activities to identify potential direct and indirect environmental impacts associated with the project, found that potential adverse environmental impacts of the project are minor to negligible. In cases where the negative environmental impacts are identified adequate mitigation measures have been proposed. There are no significant, long-lasting and irreversible negative impacts associated with the project execution and implementation.

The project component and sub-component that could have negative impacts (if not mitigated) is Component A, sub-component A1 – Real Estate Administration, Improvement of the Registration Services at the READ offices.

Contracts for civil works under the project will be subject to screening for environmental impacts by the responsible environmental entity. In case that it is found applicable, the full EIA and permitting procedure according to national legislation will be observed. Additionally, prior to start of the design work, the Environmental Management Plan and Check-List (EMP) will be prepared and completed for each site location (READ office) to ensure adherence to key-elements to meet the World Bank Environmental Assessment requirements under OP 4.01. The EMPs and check-lists will be subject to Bank's approval prior to start of any construction activity. All bidding documents and contracts for civil engineering works will include measures to minimize or mitigate environmental damage. Standard operating procedures and good engineering practice will include measures applying to construction activities in general, and in particular to control dust, noise, vibrations and other physical factors, traffic at and around the construction sites as well as measures for construction waste and debris management and disposal.

Monitoring compliance in accordance with findings of this Report and requirements of EMPs, including progress monitoring on EMP's implementation will be undertaken by READ at least twice per year. The environmental monitoring and supervision reports will be prepared twice per year. Those will be submitted to the World Bank for the review and endorsement.

10. INFORMING THE PUBLIC

The aim of informing public was to present, to the relevant institutions and concerned public, the environmental aspects of the Montenegro Land Administration and Management Project, as well as to give them the opportunity to state their comments, opinions and remarks on the matter.

This document has been publicly disclosed in Montenegro on 28. Februar 2008. and is made available at WWW.nekretnine.cg.yu.