

Export Finance Facilitation Project

Environmental Manual

to guide Yugoslav Export Credit Agency in conducting the
environmental screening and review of the enterprise applying for
YECA's facilities

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1. Introduction

The Government of the Federal Republic of Yugoslavia has received a Trust Fund Grant from the state of Japan for preparation of the Export Finance Facilitation Project. The objective of the project is to support establishment of the Yugoslav Export Credit Agency (YECA) as a permanent institution to implement a wide range of facilities aimed at supporting the import of essential goods and services and the export of goods and services produced or manufactured in Yugoslavia.

Facilities supporting imports comprise:

- ? a political risk insurance facility supporting trade exposure of foreign entities in Yugoslavia, and
- ? limited comprehensive import credit insurance.

Export support facilities comprise:

- ? working capital loans and guarantees
- ? export credit insurance, and
- ? exporter performance insurance.

This Manual was developed in order to ensure that no working capital loans/guarantees, contract bonds or credit insurance would be available to support environmentally harmful activities. The Manual follows current Yugoslav (Serbian and Montenegrin) environmental procedures, rules and regulations (for the legal framework, see Chapter 4), as well as the World Bank policy and procedures on environmental assessment, Based on the working directive 4.01.

1.1. *The list of terms and definitions*

This Manual accepts terms and definitions adopted by Law On Basis of Environmental Protection (FRY Official Register No 24, May 15, 1998).

Environment	Natural resources and man created resources, and also the totality of living space that man occupies;
Natural resources	Natural assets, such as: air, water, sea, land, forests and bio-diversity;
Man created resources	The totality of assets created by man's labor;
Environment protection	A number of measures preventing environment endangerment, providing preservation of natural harmony and rational management and improvement of natural and man created resources;
Environment pollution	Pollutant release in environment, caused either by the activity of man or as a result of natural processes producing damaging consequences on the state of environment;
Polluter	Individuals or legal persons releasing pollutants in environment as the result of their activity, and thereby disturbing natural harmony between living and non-living world, and also disturbing natural processes;
Pollutants	Substances which once released in environment disturb its natural contents, characteristics or integrity;

Emission	Pollutant release in environment;
Emission sources	Objects and activities producing pollutant release in environment;
Immission	Concentration of pollutants in environment presenting the quality of environment;
Environment impact analysis	Evaluation of possible impact of suggested activity on environment;
Activities	Actions or undertakings able to produce temporary or permanent environment degradation, such as: space utilization, object construction or reconstruction, technology introduction and application, natural resources' exploitation etc.
Bio-diversity	Diversity of organisms in range of a specie, between species themselves and between eco-systems, encompassing the totality of genes, species and eco-systems on regional and global level;
Biological resources	Genetic resources, organisms and their parts, populations or other eco-system biotic components with actual or potential purpose or application for man;
Bio-technology	Technological application of living organisms' biological systems or their derivatives, in order to obtain product or process for specific purposes, relevant for genetic resources management and environment protection;
Genetic resources	Substances of plant, animal, microbiological or other origin, containing functional hereditary units;
Protected natural resources	Preserved parts of environment with significant natural worth and characteristics, displaying their permanent ecological, cultural, educational, health and recreational, touristical and other significances, enjoying special protection as common goods due to all stated reasons;
Waste	Substances or objects in hard, liquid or gaseous state, emerging in the production or utilization processes, not being the primary purpose of the process result;
Secondary substances	Materials which can be reused, or, in other words, materials already used in the production process;
Accident	Sudden and uncontrollable event or chain of events, resulting from uncontrolled release, outflow or discharge of dangerous substances, in the course of their production, utilization, transportation, storage, trade, disposal or long-term accumulation, that is, release of genetically modified organisms in environment;
Protection from accident	Includes: accident probability estimation, response measures in the case of accident and means for environment regeneration from possible accident consequences;
Integral registry of polluters	Registry of all sorts of environment polluters, with information on their location, processes, production input and output, waste material flows (liquid and gaseous waste, hard waste), distilling plants and their pollutants' evacuation locations.

2. Environmental appraisal of projects

Proper environmental security is mainly based on timely identification and assessment of potential environmental impact of planned activity, as well as proper measures undertaken in order to prevent, minimize and smooth negative consequences of planned activity. Therefore, YECA, participating in the World Bank credit line, will have to check the projects of the planned activities with regards to potential risk to environment. Besides, those projects that under the legislation of FR Yugoslavia (Serbia and Montenegro) require environmental impact assessment or import / export approval from the environmental authorities, will have to fully satisfy the requirements of ensuring environmental security prior to the final procedure of credit allowance.

YECA will review the applications for credits and check them with respect to their responsiveness to the World Bank and Yugoslav (Serbia and Montenegro) environmental criteria, following procedures described in this Manual.

This part of the Manual provides a guide for environmental appraisal of the project as a first step in the procedure of proper environmental security.

2.1. *Categories of Environmental Impact*

Depending on the potential environmental impact of proposed activity each project should be assigned to one of four categories of environmental impact. Categories of impact and types of activity included in them are listed in the following paragraphs.

2.1.1. Category C (Minimum environmental impact)

This category includes the projects that usually cause minimum environmental impact. Approval of such types of activity usually does not require preparation of nature conservation documents by the developer (anticipated borrower). However, according Yugoslav (Serbia and Montenegro) regulations such projects should also pass screening which gives the answers:

- ? does facility / work fall into category of facilities / works that must have approved environmental impact assessment (EIA) (for screening see chapter 2.3, for full procedure see chapter 4.3), or,
- ? in cases of import / export activities, does activity fall into category that must have one of environmental permits for trade (for screening see chapter 2.4, for the full procedure see chapter 4.4).

Examples of these category projects:

1. Opening and equipping the art, design and telecommunication facilities;
2. Recreational facilities (except for construction);
3. Small-scaled renewal of communications;
4. Health care and family planning (except construction of hospitals);
5. Storage and archiving of materials and documents;
6. Management development and technical assistance;
7. Minor replacements of tools and equipment;
8. Software development and production;
9. Hardware acquisition;
10. Radio and TV programs (television, radio, satellite programs);

11. Opening restaurants and other public catering facilities;
12. Acquisition of sports equipment and opening of sports structures;
13. Educating and training (with an exception for construction of schools).

2.1.2.Category B (Interim risk)

This category includes the projects causing considerable or medium environmental impact that can be identified and quantitatively determined. Proper environmental security with regard to such projects stipulates for an anticipated loaner to go through all the necessary consultations and obtain all required permits, namely:

- ? environmental impact assessment (EIA) (for screening see chapter 2.3, for full procedure see chapter 4.3), or,
- ? in cases of import / export activities, an environmental permit for trade (for screening see chapter 2.4, for the full procedure see chapter 4.4).

In addition, there is a need to integrate public consultations into the process.

Examples of these category projects:

1. All undertakings in protected natural areas;
2. Tourist, hotel complexes and hotels;
3. Facilities for treatment of waste waters and disposal of sludge;
4. Disposal sites for waste metal;
5. Facilities for testing engines and motors;
6. Production and packaging of gun powder, explosives and ammunition;
7. Petrol stations, auto tire and mechanic service shops;
8. Cemeteries and crematoria for towns with population exceeding 5,000.
9. Cattle and poultry farms with capacity exceeding 500 animals;
10. Slaughterhouses with capacity exceeding 50 animals;
11. Facilities for production of protein fodder;
12. Production of glues and gelatins;
13. Production of starch, sugar and carbohydrate-based products;
14. Production of chocolate products;
15. Production and processing of oils, fats and waxes of plant and animal origin;
16. Conserving of products of plant and animal origin;
17. Processing milk and production of dairy products;
18. Production of molasses, beer and yeast;
19. Production of wine, alcoholic beverages, fruit juices and vinegar;
20. Resorts, tourist complexes and hotel facilities with capacity exceeding 500 users;
21. Sky tracks;
22. Storage and drying facilities exceeding 500 t.

2.1.3.Category A (High risk)

Projects listed in this category due to their scale, complexity and specific features have varied and significant potential environmental impact. Projects covered by this category are usually subject to detailed environmental impact assessment (DEIA) in full extent (for screening see chapter 2.3, for the full procedure see chapter 4.3). In addition, those projects should be sent to the World Bank for review. Public consultations during the process should be also secured.

Examples of these category projects:

1. Facilities for incineration, chemical treatment or disposal of industrial and hazardous waste;

2. Facilities for processing, temporary storage or permanent disposal of radioactive waste;
3. Regulation of river beds;
4. Transformation of non-utilized to arable land;
5. Large-scaled comassative activities;
6. Highways, speedways and motor roads and other immobile transportation facilities;
7. Railroads and industrial railroads and other immobile transportation facilities;
8. Airports and helicodromes for public air transportation;
9. River docks, channels and transit sites.
10. Cutting woods on larger areas;
11. Hydro-melioration works on larger areas;
12. Major dams and multi-functional accumulations;
13. Facilities for incineration or disposal of solid municipal waste for regional capitals and towns with population exceeding 10,000;
14. Facilities for waste water treatment with capacity exceeding 20,000 inhabitant equivalent and facilities for production of biogas;
15. Cemeteries and crematoria for towns with population exceeding 20,000.
16. Oil refineries, facilities of rafination and production of mineral oils, lubricants and paraphines;
17. Smelters, casting facilities of iron, steel, non-ferrous and precious metals;
18. Processing of steel, non-ferrous and precious metals;
19. Basic chemical industrial facilities;
20. Production of pesticides, paints, lacquers and peroxides;
21. Production of pharmaceutical and cosmetic products;
22. Production of celluloses, paper, cardboard and industrial paper;
23. Cellulose-based production;
24. Processing of wood and wood products;
25. Preparation and processing of non-metal and non-energy mineral raw materials and production of non-metals;
26. Processing of asbestos and producing asbestos products;
27. Production of raw rubber, rubber and other raw rubber-based products;
28. Production, processing and dying of textile;
29. Processing leather and producing leather-based products;
30. Production and processing of plastic masses
31. Shipyards;
32. Construction of machines and metal processing industry;
33. Treatment and surface protection of metals;
34. Storage facilitates for chemical and hazardous substances
35. Exploitation of oil and natural gas;
36. Exploitation of coal and bituminous ores;
37. Exploitation n of non-metals and metal ores;
38. Drilling for research and exploitation purposes;
39. Utilization of underground water in amount exceeding 10 m3/year;
40. Thermo electric power plant;
41. Hydroelectric power plants exceeding 20 MW;
42. Facilities for gasification and liquefaction of coal and bituminous ores;
43. Electric transition facilities, distribution plants and other facilities exceeding 20 KV;
44. Major oil lines, gas lines, product lines and major measuring-regulatory stations;
45. Storage facilities for coal, natural gas, oil and derivatives.

2.1.4. Category X (Banned)

This category comprises projects that due to potential harm to the environment and people's health can not be approved for financing by the World Bank:

1. Production of tobacco products;
2. Production of lead paints;
3. Sale of live nature and life nature products, banned by CITES Convention on trading wild fauna and flora species endangered to extinction (Washington, 1973);
4. Introduction of genetically changed organisms;
5. Production, dissemination and sale of illegal pesticides;
6. Usage of floating nets in when fishing;
7. Any activity with the use of radioactive materials;
8. Activity with the use of production and utilization of products containing chlorofluorocarbons (CFC) and other materials prohibited by Montreal Protocol on substances exhausting ozone layer (Montreal, 1987);
9. Production of electric products containing polychlorinated phenyls (PCB);
10. Production and processing of asbestos containing products.

2.2. Public Participation

The main point of departure from Bank policy is the absence of any requirements for public participation and access to information in the environmental assessment process in current regulations of FR Yugoslavia. Several activities have recently lonched in order to lobby for the adoption of Aarhus convention (Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, for details see <http://www.unece.org/env/pp/acig.htm>). Therefore, the Bank policy of integration of public consultations into procedure of approval projects under categories A and B should be followed in meantime.

2.3. Environmental Impact Assessment

In Serbia

According to the Regulations on Environmental Impact Assessment of Facilities and Works – REIAFW (Official Bulletin of Republic of Serbia, No. 61/92) Environmental Impact Assessment is conducted in two phases:

- ? Prior Environmental Impact Assessment (PEIA);
- ? Detailed Environmental Impact Assessment (DEIA).

The first phase, PEIA is conducted using technical and technological documentation for facility/work in question and is based on the most recent scientific information and available data.

Following regulations contained in Article 6, REIAFW, PEIA that contains sufficient amount of information, i.e. if a final decision can be made based on such an assessment DEIA is not to be conducted. PEIA is not to be conducted for facilities/works listed under following numbers 1. through 7, 8, 10.

In case of not following pre-investment project, i.e. relevant technical documentation submitted with the request for issuing construction permit for facility/work in question DEIA is conducted for the altered section of the project.

For each change in the space as a result of construction of given facilities or realizing other works an **urban planning permit** is required. According to the Law on planning and disposition of space and settlements the urban planning permit can be granted by the related Ministry or municipality competent for granting **construction permit** for the given facilities. The permit designates the spatial location for construction and determines urban planning, technical and other conditions for the construction. The permit is granted for the period of up to five years, without any extension period. The permit becomes ineffective in the period of three years after granting if the request for granting the construction permit is not submitted. **The construction and utilization permits** are granted according to the provisions of the Law on construction of facilities. If the detailed environmental impact assessment is needed for given facilities it is necessary this assessment to become a part of the technical documentation for the construction of given facilities. The construction may begin upon obtaining the construction permit.

Construction permits for usually certain smaller facilities are granted by the municipality or the city of Belgrade.

The facilities may be utilized upon the obtaining of the **utilization permit**. The utilization permit is granted by the organ in charge for granting utilization permits.

Utilization permit may not be issued in case of failing to obtain approval for an EIA for the facility/work in question. In such a case a potential applicant will be directed to competent authority to obtain approval for designed EIA (competent Ministry in Serbia/Montenegro). If a facility/work does not require performing EIA, an applicant would be directed to follow the relevant World Bank procedure.

Water resources permit determines ways and conditions for utilization of waters and water discharge. The water resources permit is granted by the organ that granted the water resources compliance (see the details in the water supply section of this analysis). The permit is granted on a limited period of time, maximum ten years. Approval for utilization of facilities may be granted upon granting the water resources permit for given facilities.

The Environmental Impact Assessment is prepared following defined procedures, by experts accredited by the environmental authorities. For example, the Institutes of Public Health (Belgrade, Novi Sad) play a role in EIA for development projects. The assessment is then reviewed and eventually accepted by the authorities. There are no provisions for public participation and access to information in the EIA Act.

During the EIA process and the consequent permitting process, statements and assessments are prepared by various authorities and expert bodies including e.g. the Serbian Institute for Nature Protection or inspectorates. These statements or “compliances” are taken into account.

In Montenegro EIA is conducted for all actions that are planned or conducted by legal or physical individuals, local or foreign that might result in polluting the environment (Article 17, Law on the Environment of Republic of Montenegro, Official Bulletin of Republic of Montenegro, and No. 12/96).

Prior assessment must be done by the investor prior to undertaking actions from described in paragraph of this Article (Article 17, Law on the Environment of Republic of Montenegro).

2.4. *Environmental Permits for Import/Export of Goods*

YECA shall verify that each export contract excludes:

- (i) expenditures for goods included in the following groups or subgroups of the Standard International Trade Classification, Revision 3 (SITC, Rev. 3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.2 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Borrower and the agency;

<u>Group</u>	<u>Subgroup</u>	<u>Description</u> of Items
112	-	Alcoholic beverages
121	-	Tobacco, unmanufactured, tobacco refuse
122	-	Tobacco manufactured (whether or not containing tobacco substitutes)
525	-	Radioactive and associated materials
667	-	Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and part thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (excepts watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971	-	Gold, non-monetary (excluding gold ores and concentrates)

- (ii) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;
- (iii) expenditures for environmentally hazardous goods (for purposes of this paragraph the term "environmentally hazardous goods" means goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party);
- (iv) expenditures: (a) in the territories of any country which is not a member of the Bank or for goods procured in, or services supplied from, such territories; or (b) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
- (v) expenditures under a contract in respect of which the Association determines that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the Credit during the procurement or execution of such contract, without the Borrower having taken timely and appropriate action satisfactory to the Association to remedy the situation.

Import / export activities with the above listed goods are not eligible for the financing. If the proposed activity does not include listed goods, in further procedure YECA should follow Yugoslav (Serbia and Montenegro) environmental regulations governing import / export of goods which are developed in line with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES Convention) and The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Concerning substances that deplete the ozone layer, Federative Republic of Yugoslavia implement The Montreal Protocol on Substances that Deplete the Ozone Layer.

Roles of environmental authorities in licensing and approval processes differ at different level of governance within FR Yugoslavia.

2.4.1.Import / export of hazardous wastes and their disposal

The authorized organ for issuing licenses for import, export and transport of wastes is the Federal Secretariat of Labor, Health and Social Care – Environmental Department. Transboundary movements of hazardous and other wastes can only be done with the previous written notification of that state organ and according to the license issued by these organs, which approves such movements of wastes.

The importer or exporter submits the request for issuing license for import, export and transport of wastes together with supplementary general and specific documentation.

The Document on movements of wastes is the form that is supplemented to each waste shipment. The form is issued after the approval of all states included in transboundary movements of wastes. Each form has its ordinal numeral and the unique ordinal numeral of the Notification on transboundary movements of wastes.

In order to obtain a license for import, export or transit from the Federal Secretariat, it is necessary first to obtain a Certificate on characterization of the waste. That Certificate is issued by the City Public Health Institute in Belgrade, 29. Novembra 54a Street, as authorized laboratory – authorized organ for characterization of wastes.

The Law on Transport of Hazardous Substances (Official Journal of FR Yugoslavia, no. 27/90 and 45/90) **forbids** the import of wastes of hazardous substances of foreign origin for temporary or permanent disposal on the territory of FRY (Article 28). A new obligation for the holder of the handling right, i.e. owner, to insure the hazardous substance in case of damage to third parties due to death, body or health injury, damaged or destroyed property or pollution of the environment during transport, is introduced (Article 8).

In the Republic of Serbia, this domain is regulated in scope of the Law on Environmental Protection (Official Journal of Republic of Serbia nos. 66/91, 83/92, 53/93, 67/93, 48/94 and 53/95). The domestic or imported technology cannot be applied and products cannot be put on sale on the territory of the Republic, if they do not fulfill the prescribed norms of environmental protection, i.e. norms of quality, or if the product is banned in the exporting country. The Ministry can, in case of doubt, order that a technology or product have to be examined, although it is provided with a prescribed document related to the harmful effects on the environment, and in that case it assigns the expert organization (Article 17).

The waste material is collected, classified, prepared for usage as secondary raw material, processed and temporarily or permanently stored and, if necessary, destroyed, under control (Article 82, Paragraph 1).

The processing, storage and disposal of radioactive and other wastes that have characteristics of hazardous substances of foreign origin **are banned** on the territory of the Republic (Article 82, Paragraph 2).

In the Republic of Montenegro, the implementation of the norms of the Basel Convention is regulated in a similar way. Several regulations are relevant. The Law on Environmental Issues (Official Journal of Republic of Montenegro, no. 16/96) specifies the ban of application or usage of technologies, products, semi finished products or raw material forbidden in the exporting or manufacturing country (Article 9, Paragraph 2). The Law also limits the import of wastes, except with the permission of the ministry authorized for environmental protection (Article 10, Paragraph 1).

The Federal Secretariat for Labor, Health and Social Care – Department for Health is responsible for issuing import / export D1 permit for the substances which are harmful for ozone layer, according official list (Decree on Classification Goods into Types of Export and Import, Official Journal of FR Yugoslavia, nos 25/2001, 27/2001).

2.4.2. International trade of endangered species of wild flora and fauna

The exporter or importer submits the request for a license for import, export and transit to the Federal Secretariat for Labor, Health and Social Care – Environmental Sector, with supplementing documentation, in accordance with the CITES Convention.

The CITES license and certificates are issued as a form prescribed by the CITES Convention.

The license must accompany each shipment.

The exporter or importer of genetic resources of wild flora and fauna, biotechnologies or genetically modified organisms should submit the request for a license to the Federal Bureau for Genetic Resources in scope of the Federal Ministry of Economy. When submitting the request for a license, the applicant supplies the opinion, which states that the environment will not be endangered.

In the Republic of Serbia the license for collecting, usage and trade of the natural assets, is issued by the organization for nature protection. The license specifies the quantity that can be collected, period of the year and area where they can be collected. The company that trades natural assets is obligated to pay compensation for their usage. The level of compensation is determined through the act on controlling the usage and trade of natural assets.

The protection of flora and fauna is realized through a permanent ban of usage, i.e. through the protection of species as natural assets and through the ban of their usage (partial, in a certain area, of certain size and quantity).

Wild species of flora and fauna protected by the permanent ban of usage, i.e. natural rarities, cannot be destroyed, disturbed, hunted or torn, regarding both single specimens and their habitats. These species are protected through a special subordinate legal act, the Decree on Protection of Natural Rarities of the Republic of Serbia (Official Journal of Republic of Serbia, nos. 50/93 and 93/93).

The current legislative of the Republic of Montenegro, relevant for the CITES Convention, is based on the same framework as the legislative of the Republic of Serbia.

3. Environmental Appraisal Form

Table 1. Environmental Appraisal Form

It must be used by a loaner and a creditor-bank for environmental appraisal of the planned activity

Part A (to be filled in by all of the loaners)

Name of the Project:

Loaner:

Bank:

Contact Person:

Telephone:

Fax:

Branch of industry and main types of services

Check does your activity fall into import / export of goods described in Chapter 2.4.

Yes	☐	The suggested activity is not eligible for financing by the World Bank
No	☐	Continue with procedure

Classify your activity into one of four categories of environmental impact (see Chapter 2.1)

Category	Required action
1	No further inspections are required. For further steps check Chapters 2.3 and 2.4
2	Fill in Part B of this Form and for further steps go through Chapters 2.3 and 2.4
3	Fill in Part B of this Form and for further steps go through Chapters 2.3 and 2.4
4	The suggested activity is not eligible for financing by the World Bank

Justification of the stated category

Part B (to be filled in by a loaner for projects of Categories 2 and 3)

Project's brief description:

Location of the project (if yet unknown, please, determine preliminary options for its location, including the size of the structure or the territory):

Planned productive capacity (main types, quantities), when it is practicable, if compared to the main specifics of the current production:

Number of employees (at the stage of the full scale of the planned activity operations):

1-50 ?
50-500 ?
>500 ?

The planned activity includes the following changes (fill in all corresponding blocks):

New construction ?
Reconstruction ?
Expansion ?
Changing ownership ?
Others (specify): ?

Preceding ecological situation (except for the projects fully including new construction):

Permissions, licenses and other relative documents given by the environment protection bodies (specify number of the document and date of issuance):

List of available documents characterizing certain nature protection issues at the place of the project realization:

Important additional comments:

Part C (to be filled in by a creditor-bank)

Main issues identified at the time of ecological inspection:

Were there any potential risks revealed by the bank, for example, considerable additional expenses that the loaner will have to bear during a short or a long term in the future due to environmental problems?"

Yes ? No ?

If "Yes", specify potential risks:

Table 2. Environmental Assessment Check List (To be filled in by creditor-bank)

Environmental assessment									
1	Facility/work will be constructed/undertaken on the territory of?								
	11	Republic of Serbia				go to		2	
	12	Republic of Montenegro				go to		4	
2	Does facility/work fall into category of facilities/works that must have an EIA listed in Checklist EIA No. 1 (Serbia)				Yes		No		
						go to	3		go to 3211
3	Does facility/work fall into the category of facilities/works listed in: Checklist EIA No. 2 (Serbia)				Yes		No		
						go to	32		go to 31
31	PEIA must be undertaken for the facility/work in question.				and go to		311		
	311	PEIA is sufficient for obtaining further permits and relevant documentation.			Yes		No		
						go to	3111		go to 32
	3111	Facility/work in question has approved PEIA.			Yes		No		
						go to	3211		go to 3212
32	DEIA must be undertaken for the facility/work in question.				and go to		321		
	321	Facility/work in question has approved DEIA.			Yes		No		
						go to	3211		go to 3212
	3211	Operation (s) concerning facility/work in question may be pursued according to present legislation.							
	3212	Operation (s) concerning facility/work in question may not be pursued according to present legislation.			Instruct loaner to provide valid environmental permit				
4	Does facility/work fall into category of facilities/works that must have an EIA listed in Checklist EIA No. 3				Yes		No		
						go to	5		go to 511
5	Facility/work in question needs to have Survey on Environmental Impacts.				and go to		51		
	51	Facility/work in question has approved Survey on Environmental Impacts.			Yes		No		
						go to	511		go to 512
	511	Operation (s) concerning facility/work in question may be pursued according to present legislation.							
	512	Operation (s) concerning facility/work in question may not be pursued according to present legislation.			Instruct loaner to provide valid environmental permit				

Table 3. Checklist EIA No. 1 (Serbia)

EIA No. 1	
1	All types of facilities and works planed to be constructed/ventured in a protected natural area including protective zones of immobile cultural goods;
2	Industrial zones;
3	Customs zones;
4	New urban zones;
5	Regulation of river beds;
6	Transformation of non-utilized to arable land;
7	Large-scaled comassative activities;
8	Objects of industry and mining;
1	Oil refineries, facilities of rafination and production of mineral oils, lubricants and paraphines;
2	Smelters, casting facilities of iron, steel, non-ferrous and precious metals;
3	Processing of steel, non-ferrous and precious metals;
4	Basic chemical industrial facilities;
5	Production of pesticides, paints, lacquers and peroxides;
6	Production of pharmaceutical and cosmetic products;
7	Production of cellulose, paper, cardboard and industrial paper;
8	Cellulose-based production;
9	Processing of wood and wood products;
10	Preparation and processing of non-metal and non-energy mineral raw materials and production of non-metals;
11	Processing of asbestos and producing asbestos products;
12	Production of raw rubber, rubber and other raw rubber-based products;
13	Production, processing and dying of textile;
14	Processing leather and producing leather-based products;
15	Production of glues and gelatins;
16	Production and processing of plastic masses
17	Shipyards;
18	Construction of machines and metal processing industry;
19	Treatment and surface protection of metals;
20	Weaponry production;
21	Storage facilities for chemical and hazardous substances
22	Production of starch, sugar and carbohydrate-based products;
23	Production of chocolate products;
24	Production and processing of oils, fats and waxes of plant and animal origin;
25	Conserving of products of plant and animal origin;
26	Processing milk and production of dairy products;
27	Production of molasses, beer and yeast;
28	Production of wine, alcoholic beverages, fruit juices and vinegar;
29	Exploitation of oil and natural gas;
30	Exploitation of coal and bituminous ores;
31	Exploitation of non-metals and metal ores;
32	Drilling for research and exploitation purposes;
33	Utilization of underground water in amount exceeding 10 m3/year;
34	Thermo electric power plant;
35	Hydroelectric power plants exceeding 20 MW;
36	Facilities for gasification and liquefaction of coal and bituminous ores;
37	Electric transmtion facilities, distribution plants and other facilities exceeding 20 KV;
38	Major oil lines, gas lines, product lines and major measuring-regulatory stations;
39	Storage facilities for coal, natural gas, oil and derivatives.
9	Facilities in field of transportation
1	Highways, speedways and motor roads and other immobile transportation facilities;
2	Railroads and industrial railroads and other immobile transportation facilities;

EIA No. 1	
3	Airports and helicodromes for public air transportation;
4	River docks, channels and transit sites.
10	Facilities and works in field of agriculture, forestry and waterworks;
1	Cutting woods on larger areas;
2	Hydro-melioration works on larger areas;
3	Major dams and multi-functional accumulations;
4	Cattle and poultry farms with capacity exceeding 500 animals;
5	Slaughterhouses with capacity exceeding 50 animals;
6	Facilities for production of protein fodder;
11	Facilities of in field of communal activities;
1	Facilities for incineration or disposal of solid municipal waste for regional capitals and towns with population exceeding 10000;
2	Facilities for waste water treatment with capacity exceeding 20000 inhabitant equivalent and facilities for production of biogas;
3	Cemeteries and crematoria for towns with population exceeding 20000.
12	Other facilities
1	Resorts, tourist complexes and hotel facilities with capacity exceeding 500 users;
2	Sky tracks;
3	Storage and drying facilities exceeding 500 t;
4	Facilities for incineration, chemical treatment or disposal of industrial and hazardous waste;
5	Facilities for processing, temporary storage or permanent disposal of radioactive waste;
6	All types of aforementioned facilities and works that need a construction permit issued by the Ministry competent for construction issues or other competent Ministry according to relevant legislation.

Table 4. Checklist EIA No. 2 (Serbia)

EIA No. 2	
1	All types of facilities and works planed to be constructed/ventured in a protected natural area including protective zones of immobile cultural goods;
2	Industrial zones;
3	Customs zones;
4	New urban zones;
5	Regulation of river beds;
6	Transformation of non-utilized to arable land;
7	Large-scaled comassative activities;
8	Objects of industry and mining;
1	Exploitation of oil and natural gas;
2	Utilization of underground water in amount exceeding 10 m3/year;
3	Hydroelectric power plants exceeding 20 MW;
9	Facilities and works in field of agriculture, forestry and waterworks;
1	Cutting woods on larger areas;
2	Hydro-melioration works on larger areas;
3	Major dams and multi-functional accumulations;

Table 5. Checklist EIA No. 3 (Montenegro)

EIA No. 3	
1	Production and processing of metals
1.	Facilities for processing metals;
2.	Shipyards;
3.	Constructing of machines;
4.	Production of transportation means;
5.	Production of electrical machines and devices, electric appliances and other electric products;

EIA No. 3

6. Facilities for processing cast iron and steel and for production of non-ferrous metals

II Production and processing of non-metal minerals (without construction materials)

7. Production and processing of glass and glass fibers;

8. Other facilities for processing of non-metal raw materials.

III Production of construction materials

9. Production of cement and limestone;

10. Asphalt bases;

11. Production of other construction materials;

12. Facilities for exploitation and processing of asbestos and asbestos-containing products.

IV Chemical Industry

13. Facilities of basic chemical industry;

14. Facilities for processing semi-products and production of chemicals;

15. Production and processing of chemical products (pesticides, plastic masses, pharmaceutical products, paints, lacquers, etc.);

16. Storage of poisons, pesticides, oil, chemical, petrochemical and pharmaceutical products;

17. Production and processing of raw rubber and rubber;

18. Tans for storage of petrol, petrochemical and chemical products;

19. Refineries for oil processing and accompanying facilities, facilities for gasification and liquefaction of coal and bituminous ores;

V Food industry

20. Processing and preserving food and vegetables;

21. Slaughterhouses, processing and preserving meat;

22. Production of sugar and chocolate products;

23. Production of plant and animal oils, fats and waxes;

24. Production of alcohol and alcoholic beverages;

25. Production of beer, molasses and yeast;

26. Production of non-alcoholic beverages and syrups;

27. Processing and preserving fish, fish flower and fish oil;

28. Production and processing of milk and dairy products;

29. Processing of tobacco;

30. Mills, grain storage tanks and drying facilities;

31. Coolers;

32. Packaging of plant and animal products;

33. Industrial facilities for producing starch;

VI Textile industry, processing of leather, processing of wood and paper production

34. Production of natural and synthetic fibers and fabrics, dying fabrics and producing carpets;

35. Processing, cleaning, bleaching and removing fat from wool;

36. Processing of raw hide and producing leather products;

37. Processing of wood, producing semi-products and products of wood;

38. Production of cellulose and paper.

VII Mining

39. Mines;

40. Exploitation of mineral raw materials (non-metals such as: technical-construction and ornamental stone, sand, gravel, salts, phosphates, etc.);

41. Exploitation of peat;

42. Drilling particularly including:

Geothermal drilling;

Research drilling exceeding 100 m;

Drilling wells for water supplies (apart from drilling conducted in order to assess stability of the ground).

EIA No. 3

- 43. Exploitation of ground waters not exceeding 1000000 m³/year;
- 44. Processing and dry distillation of coal (Cox);
- 45. Exploitation and construction of facilities for exploitation of oil, gas and bituminous ores;

VIII Energy

- 46. Hydroelectric power plants and accessory facilities;
- 47. Installations and facilities for transmission of electric energy, steam and hot water;
- 48. Superficial and underground tanks of inflammable gases;
- 49. Superficial and underground tanks of fossil fuels;
- 50. Pipelines for transport of oil, natural gas and other materials including related equipment;
- 51. Thermoelectric power plants and other facilities for combusting fossil fuels.

IX Agriculture, forestry and fisheries

- 52. Commasation projects;
- 53. Projects for turning land into arable land exceeding 5 acres;
- 54. Melioration projects;
- 55. Farms for raising poultry, cattle, pigs, etc.;
- 56. Aquaculture (growing of fish, shells, etc.);
- 57. Cutting forests and changing purpose of forest land on major areas;
- 58. Projects for protection from floods;
- 59. Undertakings that may cause in basic changes in biodiversity, structure and functioning of ecosystems.

X Infrastructure

- 60. Living areas, new city blocks, business centers, trade canterers, hospitals and health facilities, storage complexes, halls and other urban undertakings with related infrastructure;
- 61. Ports, sea and river docks and channels;
- 62. Highways, speed-reads and motor roads with accompanying facilities;
- 63. Tunnels, bridges, viaducts and other road facilities;
- 64. Railroads, tram roads;
- 65. Airports, helicodromes;
- 66. Landfills for disposing and facilities for incinerating and treatment of municipal waste;
- 67. Landfills and equipment for disposal, incinerating, chemical treatment or destroying in another way of toxic and hazardous waste;
- 68. Sky tracks;
- 69. Dams, reservoirs and other facilities for long-term collection and storage of water;
- 70. Construction of sewerage and water systems.

XI Other undertakings

- 71. All undertakings in protected natural areas;
- 72. Tourist, hotel complexes and hotels;
- 73. Facilities for treatment of waste waters and disposal of sludge;
- 74. Disposal sites for waste metal;
- 75. Facilities for testing engines and motors;
- 76. Production and packaging of gun powder, explosives and ammunition;
- 77. Petrol stations, auto tire and mechanic service shops;
- 78. Cemeteries and crematoria for towns with population exceeding 5000.

Table 6. Export/Import Check List (To be filled in by creditor-bank)

1	Does enterprise have import/export permit issued by Department of Environment within the Federal Secretariat for Health and Social Policy?		Yes		No		Not Available	
			go to	12	go to	11	go to	17
11	Does enterprise:							
111	Import, export and transit of endangered and protected species of wild flora and fauna, and their development stages and parts?		Yes		No			
	For the list check: Checklist No. 4		go to	13	go to	112		
112	Import, export and transit of genetical resources of wild flora and fauna, biotechnologies and genetically modified organisms		Yes		No			
	For the list check * List is under preparation		go to	1a	go to	113		
113	Collect, use or trade wild plant and animal species, seeds, fruits, eggs and other lower development stages, except of game animals in Serbia		Yes		No			
			go to	3	go to	114		
114	Collect, use or trade wild plant and animal species, seeds, fruits, eggs and other lower development stages, except of game animals in Montenegro		Yes		115			
			go to	4	go to	115		
115	Import, export and transit of toxic wastes, as listed in: Checklist No. 5		Yes		No			
			go to	13	go to	116		
116	Import, export and transit of non-toxic wastes, as listed in: Checklist No. 6		Yes		No			
			go to	13	go to	117		
117	Import, export and transit of substances that deplete the ozone layer, as listed in: Checklist No. 7		Yes		No			
			go to	15	go to	2		
12	Attach copies of import/export permit issued by Department of Environment within the Federal Secretariat for Health and Social Policy and go to 16							
13	Ask for valid import/export permit issued by Department of Environment within the Federal Secretariat for Health and Social Policy and go to 1							
14	Ask for valid import/export permit issued by Federal Bureau for Genetic Resources - Federal Ministry of Economy and go to 1a							
15	Ask for valid import/export permit issued by Federal Secretariat for Health and Social Policy and go to 1							
16	Import-export business is in compliance with federal environmental regulations and go to 2							
17	Import-export business is NOT in compliance with domestic environmental regulations Instruct loaner to provide valid environmental permit							
1a	Does enterprise have import/export permit issued by Federal Bureau for Genetic Resources - Federal Ministry of Economy?		Yes		No		Not Available	
			go to	18	go to	14	go to	17
18	Attach copies of import/export permit issued by Federal Bureau for Genetic Resources - Federal Ministry of Economy and go to 16							

Environmental Appraisal Form

Tab. 6. Export/Import Check List – Cont.

		Yes		No		Not Available	
3	Does enterprize have permit for trade issued by Directorate of Environmental Protection - Ministry of Health and Environment of Republic of Serbia?	☐	☐	☐	☐	☐	☐
		go to	32	go to	31	go to	35
31	Does enterprize:						
311	Collect, use or trade wild plant and animal species, seeds, fruits, eggs and other lower development stages, except of game animals from the:	Yes		No			
	Checklist No. 4	☐	☐	☐	☐	☐	☐
		go to	33	go to	312		
312	Trade with the following tree species:	Yes		No			
	Checklist No. 8	☐	☐	☐	☐	☐	☐
		go to	35	go to	313		
313	Handling with the wastes:	Yes		No			
	Checklist No. 6	☐	☐	☐	☐	☐	☐
		go to	33	go to	314		
314	Handling with the wastes tha have characteristics of hazardous substances:	Yes		No			
	Checklist No. 5	☐	☐	☐	☐	☐	☐
		go to	33	go to	5		
32	Attach copies of permit for trade issued by Directorate of Environmental Protection - Ministry of Health and Environment of Republic of Serbia	and go to 34					
33	Ask for valid permit for trade issued by Directorate of Environmental Protection - Ministry of Health and Environment of Republic of Serbia	and go to 3					
34	Import-export business is in compliance with Serbian environmental regulations						
35	Import-export business is NOT in compliance with Serbian environmental regulations Instruct loaner to provide valid environmental permit						

		Yes		No		Not Available	
4	Does enterprize have permit for trade issued by Ministry of Agriculture of Republic of Montenegro?	☐	☐	☐	☐	☐	☐
		go to	42	go to	41	go to	46

Tab 6. Export/Import Check List – Cont.

	Does enterprize have permit for trade issued by Ministry of Agriculture of Republic of Montenegro?	Yes	No	Not Available			
4		go to 42	go to 41	go to 46			
41	Does enterprize:						
411	species, seeds, fruits, eggs and other lower development stages, except of game animals from the:	Yes	No				
	Checklist No. 4	go to 43	go to 412				
412	Handling with the wastes:	Yes	No				
	Checklist No. 6	go to 4a	go to 413				
413	Handling with the wastes tha have characteristics of hazardous substances:	Yes	No				
	Checklist No. 5	go to 4a	go to 5				
42	Attach copies of permit for trade issued by Ministry of Agriculture of Republic of Montenegro	and go to 45					
43	Ask for valid permit for trade issued by Ministry of Agriculture of Republic of Montenegro	and go to 4					
44	Ask for valid permit for trade issued by Ministry of Environment and Urban Planning of Republic of Montenegro	and go to 4a					
45	Import-export business is in compliance with Montenegrin environmental regulations						
46	Import-export business is NOT in compliance with Montenegrin environmental regulations						
		Instruct loaner to provide valid environmental permit					
	Does enterprize have permit issued by Ministry of Environment and Urban Planning of Republic of Montenegro?	Yes	No	Not Available			
4a		go to 45	go to 43	go to 46			
5	Import-export business is NOT covered with domestic environmental regulations						
	Apply ONLY World Bank criterias						

Part D (to be filled in by a creditor-bank)

The loaner is required to present the following documents or their copies:

	Required		Presented	
	Yes	No	Yes	No
4. Environmental Appraisal Form (Environmental Appraisal Form Table 1)				
Urban Planning Permit	Yes	No	Yes	No
Construction Permit	Yes	No	Yes	No
Water Resources Permit	Yes	No	Yes	No
Utilization Permit	Yes	No	Yes	No
Environmental Impact Assessment	Yes	No	Yes	No
Preliminary Environmental Impact Assessment	Yes	No	Yes	No
Detailed Environmental Impact Assessment	Yes	No	Yes	No

Final conclusions and statement of the bank concerning the risks of allowing a credit and opinions about nature protection issues relating to the planned activity:

Submitted by (and confirmed on behalf of the loaner that the above given information is true and correct):

Name:

Position:

Signature:

Date:

Received and examined by:

Officer's name:

Position:

Signature:

Date:

5. Legal, regulatory and institutional framework review for environmental assessment in Yugoslavia

5.1. Legal framework

The legislative acts can be passed at the federal level, applying on the territory of both member republics, or at the republic level applying on the territory of the republic that adopted such an act. The Federal Assembly is comprised of two chambers: The Council of Citizens and the Council of Republics. The simple or two-third majority of federal deputies' votes in both of the chambers of the Federal Parliament are needed for passing a law at the federal level. The Federal Government and the Federal Ministries adopt legislative (under-law) acts on the federal level. Republic Assemblies pass republic laws, and governments of the republics and republic ministries adopt legislative (under-law) acts on the republic level. The legislative acts passed on the republic level must not be in discordance with the legislative acts passed at the federal level.

5.1.1.Federal level

The Federal Assembly adopted the Law on the Principles of Environmental Protection in 1998 (Official Journal of FR Yugoslavia, No24/98).

5.1.2.Republic of Serbia

In Serbia, the 1991 Environmental Law (Official Journal of Republic of Serbia No. 66/91, 83/92, 53/93, 67/93, 48/94 and 53/95) regulates the following matters: measures of protection in planning and construction, protection of the air, water, soil, forests and natural goods, noise, ionizing radiation and hazardous waste control, financing of protection and inspection.

The Serbian government is undergoing major restructuring as a result of which the nature and role of the environmental agency is likely to change significantly. A new Law on the System for Environmental Protection will be discussed in the Republican parliament during March / April 2002.

5.1.3.Republic of Montenegro

In Montenegro, special laws govern special areas of the environment and the Environmental Protection Law was adopted in 1996 (Official Journal of Republic of Montenegro No. 12/96, 55/00).

5.1.4.All levels

The legislation covers all the sectors including horizontal sector (EIA). Enforcement instruments are provided including judicial and economical instruments (non-compliance fees and fines, pollution charges...). There are inspectorates controlling compliance. However, the efficiency of enforcement and implementation of the environmental legislation is weak: the number of inspectors is low, fees and fines could not be collected due to the inefficient legal system. There has been no assessment of the efficiency of economic enforcement instruments.

The Polluter-Pay Principle is not enforced.

5.2. Institutional framework

The following Ministries and other state organs are competent for environmental issues:

- ? The Federal Secretariat for Health and Social Work - environmental department;
- ? Federal Ministry of Agriculture;
- ? Ministry of Health and Environment – Directorate for Environmental Protection – Republic of Serbia;
- ? Ministry of Environmental Protection and Urban Planning – Republic of Montenegro;
- ? Ministry of Agriculture, Forestry and Water Resources – Republic of Serbia;
- ? Ministry of Agriculture, Water Resources and Forestry – Republic of Montenegro;
- ? Federal Hydrometeorological Institute;
- ? Hydrometeorological Institute – Republic of Serbia;
- ? Hydrometeorological Institute – Republic of Montenegro;
- ? Institute for Protection of Nature of Serbia;
- ? Institute for Protection of Nature of Republic of Montenegro;
- ? Agency for Recycling - Republic of Serbia.

The administrative and economical system of the FR Yugoslavia and Republic of Serbia is undergoing an extensive reform program as a part of launched program of improvement of democracy in the FRY since October 2000. This reform program, aimed at reaching better governance in a market economy, has first resulted in a reduction of the number of ministries at the Federal level and republic level.

Nowadays, the environment sector ministry level stakeholders are:

- ? Federal Secretariat for Health and Social Policy, Department for Environmental Protection
- ? Ministry of Public Health and Environmental Protection of Republic of Serbia, Directorate for Environmental Protection
- ? Ministry for Housing and Environment, Montenegro

5.2.1.Federation

At the Federal level, there is no Ministry of Environment but a Secretariat for Health and Social Policy within which Department for Environmental Protection is present (Annex 1). The responsibilities of the Secretariat are limited and environmental issues are also under the responsibility of other ministries. The responsibilities of the Department comprise:

- ? environmental protection at federal level,
- ? protection of the ozone layer,
- ? monitoring of transboundary air pollution,
- ? monitoring of transboundary pollution of water and sea,
- ? transboundary waste disposal, and
- ? international cooperation (negotiation and ratification of conventions and agreements).

There is no integral national information system for the environment, regardless of certain activities. Furthermore, the national statistical methodology is not adjusted to the collection of data relevant to sustainable development, so that there is no information about the contribution made by the industries and population towards environmental protection.

5.2.2. Republic of Serbia

In the Republic of Serbia, there is no Ministry of Environment but a Directorate for Environment under the Ministry for Health and Environmental Protection (Annex 1). The responsibilities of the Directorate for Environment are limited and a number of environment related responsibilities, such as the protection of soils and water resources, and land use planning are within the scope of activity of other ministries such as the Ministry of Agriculture, Forestry and Water, the Ministry of Civil Engineering, and the Ministry of Local Government and Urban Planning.

The Serbian Directorate for Environment has a limited staff of around 40 inspectors (in regional inspectorates) and operates with a limited budget.

The competencies of the Federal and republic authorities coincide and overlap in this area. A consistent approach to environmental protection at the national level is also lacking.

The scattered environmental responsibilities between several ministries are seen as a major constraint. The creation of a Serbian ministry for “Natural Resources Management and Environment” is foreseen. The establishment of the new Ministry will be followed by establishing the Agency for Environmental Protection of the Republic of Serbia. Those changes are expected after announced restructuring of the Serbian Government in March 2002.

Several other institutions are responsible for environmental protection (e.g. hydro-meteorological institutes, institutes for public health, etc.). However, the level of coordination among them is unsatisfactory.

5.2.3. Republic of Montenegro

In the Republic of Montenegro, the reconstruction of the government in late 2001 resulted in merging Ministry for Environmental Protection and Ministry of Urban Planning. As a result, new Ministry of Environmental Protection and Urban Planning was established, within which Department for Environmental Protection operates with the staff of approximately 20 persons (Annex 1). The responsibilities of that Department are rather limited and comprise the following:

- ? environmental protection systems,
- ? nature conservation and natural resources protection,
- ? establishing and implementing environmental protection measures for protected natural resources and objects of nature,
- ? establishing environmental conditions for construction works of public interest,
- ? protection of air and protection from hazardous substances in their production, trade and disposal, and
- ? managing the «National parks» enterprise (while four national parks are overseen by the Ministry).

5.3. Environmental Impact Assessment

At the Federal level, although FRY has not ratified the Espoo convention, the EIA in transboundary context is covered by provisions in the law on the Basic Principles of the Environmental Protection. There is, both in the Republic of Serbia and in the Republic of Montenegro, legislation on Environmental Impact Assessment. In Serbia the EIA procedure is described in the law on Environmental Protection and the Regulation on Environmental Impact Assessments (EIA). In Montenegro, the EIA is regulated by the Law on Environment and the Regulation on Environmental Impact Assessment.

In the Republic of Serbia, Environmental Impact Assessment applies to new developments and investments likely to have negative impacts on the environment, including industrial plants, infrastructure projects (railroad, roads) and landfills.

The Environmental Impact Assessment is prepared following defined procedures, by experts accredited by the environmental authorities. For example, the Institutes of Public Health (Belgrade, Novi Sad) play a role in EIA for development projects. The assessment is then reviewed and eventually accepted by the authorities. There are no provisions for public participation and access to information in the EIA Act.

During the EIA process and the consequent permitting process, statements and assessments are prepared by various authorities and expert bodies including e.g. the Serbian Institute for Nature Protection or inspectorates. These statements or “compliances” are taken into account.

5.3.1.Environmental Assessment Law and Regulations

The federal Law on Environmental Protection includes provisions for environmental impact assessment of development projects. Both Republics of Serbia and Montenegro have separate Laws on Environmental Protection and Regulations on Environmental Impact Assessment.

At the Federal level, although FRY has not ratified the Espoo convention (see <http://www.unece.org/env/eia/>), the EIA in transboundary context is covered by provisions in the Law on the Basic Principles of the Environmental Protection.

There is, both in the Republic of Serbia and in the Republic of Montenegro, legislation on Environmental Impact Assessment. In Serbia the EIA procedure is described in the law on Environmental Protection and the Regulation on Environmental Impact Assessments (EIA). In Montenegro, the EIA is regulated by the Law on Environment and the Regulation on Environmental Impact Assessment.

5.3.1.1. Republic of Serbia

The Law on Environmental Protection of the Republic of Serbia (Article 14-17.) foresees that the organizing of space, utilization of resources, plant and animal organisms is defined by the spatial and urban city plans and other plans (plans on organizing and the basis for utilization of Arable Land, Forest, Waterworks, Hunting and Fishing and forest utilization Basis and other plans). The Ministry competent for environmental issues takes part in the procedure of preparation and enacting these plans (Article 14, Law on Environmental Protection of the Republic of Serbia). Regulations of Law on the Spatial Plan of the Republic of Serbia (Law on the Spatial Plan of the Republic of Serbia, Official Bulletin, No. 13/96) and the Law on Organizing of Space and Settlements of the Republic of Serbia (Law on Organizing of Space

and Settlements of the Republic of Serbia, Official Bulletin of the Republic of Serbia, No. 44/95, 16/97, 46/98) govern issues concerning planning and construction.

Environmental impact assessment, including protection measures, is conducted for facilities and construction works that can have a large impact on the environment according to the provisions of the Law on Environmental Protection (Article 16.). The investor is obliged to perform environmental impact assessments and to quantify the impact of the related activities to the environment, to plan and implement measures to prevent harmful effects on the environment or recultivation measures, i.e. remediation measures and to ensure the enforcement of the related provision (Article 4, Law on Environmental Protection of the Republic of Serbia). Environmental impact assessments include the assessment of direct and indirect impacts to the environment.

The Minister for Environmental Protection (“the Minister” in the text) prescribes the type of facilities and construction works that call for performing of the environmental impact assessment, as well as the method of performing the environmental impact assessment and its verification. Regulations on Environmental Impact Assessments of Facilities and Construction Works (Regulations on Environmental Impact Assessments of Facilities and Construction Works, Official Bulletin of the Republic of Serbia, No. 61/92) determines the types of facilities and construction works that call for performing environmental impact assessments, contents, methods for conducting and verifying the assessments. The types of facilities and construction works in question are listed in the list of facilities and construction works that are obliged to have an environmental impact assessments conducted (12 categories).

The analysis, if needed, contains the program for monitoring the impacts on the quality of the environment to be conducted after initiating activities in question.

In the Republic of Serbia, Environmental Impact Assessment applies to new developments and investments likely to have negative impacts on the environment, including industrial plants, infrastructure projects (railroad, roads) and landfills.

The analysis offers essential and detailed information on possible effects of facilities or activities on the environment to decision-makers and general public. It is important to estimate which media of the environment will be probably endangered. The analysis is also suggesting alternative options or solutions that will be better adapted to the environment.

Climatological, geological, hydrogeological and hydrological parameters are, in most cases, taken from the existing projected documentation (general urbanistic plans, detailed urbanistic plans) for a particular location.

According to the Regulations on Environmental Impact Assessment of Facilities and Works – REIAFW (Official Bulletin of Republic of Serbia, No. 61/92) Environmental Impact Assessment is conducted in two phases:

1. Prior Environmental Impact Assessment (PEIA);
2. Detailed Environmental Impact Assessment (DEIA).

The first phase, PEIA is conducted using technical and technological documentation for facility/work in question and is based on the most recent scientific information and available data.

PEIA contains (Article 4, REIAFW)

1. Physical features of the ground where facility/work in question will be constructed/ventured;
2. Chief features of production and technological process, type and amount of raw materials to be used;
3. Type and amount of energy to be used;
4. Assessment of types and amounts of waste and pollutant to be generated in regards to air, water and soil, emissions of noise, vibrations, heat and other types of radiation;
5. Possible negative environmental impacts regarding population, flora, fauna, air, water, soil, climatic factors, material goods, including cultural heritage, landscape values and their interrelations and interrelation of all mentioned elements;
6. Risk assessment for facility/work in question;
7. Measures foreseen for preventing and lowering negative environmental impacts (utilization of natural resources, emissions of pollutants, waste disposal, causing damages) and measure to be undertaken in cases of accidents;
8. Chief alternatives that were discussed and reasons for selecting the pre-invested project in regards to environmental protection;
9. Methods used in assessing possible negative environmental impacts.

PEIA is evaluated using following categories (Article 5, REIAFW):

1. “Meets requirements regarding environmental protection”;
2. “Not enough data for the assessment; additional information needed”
3. “Does not meet requirements regarding environmental protection”.

Following regulations contained in Article 6, REIAFW, PEIA that contains sufficient amount of information, i.e. if a final decision can be made based on such an assessment DEIA is not to be conducted. PEIA is not to be conducted for facilities/works listed under following numbers 1. through 7, 8, 10.

DEIA contains (Article 8, REIAFW):

1. Description of locality for facility/work in question;
2. Description of facility and production process;
3. Possible environmental changes and impacts of the facility/work in question;
4. Review of measures for preventing or lowering negative environmental impacts to be undertaken in regular conditions and in cases of accidents;
5. Review of interrelations of all relevant elements contained in the EIA;
6. Annex containing listed sources of data and methods used for conducting EIA;
7. Notes on possible lack of adequate alternatives regarding environmental protection (lack of scientific, technological, legislative and other solutions) or lack of possibilities to acquire relevant information.

Articles 8. to 13. (inclusive) of REIAFW regulate contents of each section of DEIA in detail.

The Detailed Analysis represents a regime of operation of a particular technological (operational) process within present conditions, aimed at maximal prevention of further degradation of the environment.

DEIA is evaluated using following categories (Article 14, REIAFW):

1. “Meets requirements regarding environmental protection”;
2. “Does not meet requirements regarding environmental protection”.

In case of not following pre-investment project, i.e. relevant technical documentation submitted with the request for issuing construction permit for facility/work in question DEIA is conducted for the altered section of the project.

List of facilities and works that EIA must be conducted for (Annex to REIAFW)

1. All types of facilities and works planned in a protected natural area, natural site and protected area of a cultural monument;
2. Industrial zones;
3. Customs zones;
4. New urban zones;
5. Regulations of river beds;
6. Converting grounds to arable land;
7. Comassation of larger areas;
8. Industrial and mining facilities;
9. Transportation facilities;
10. Facilities and works in fields of agriculture, forestry and waterworks;
11. Communal facilities;
12. Other facilitates.

Regulations on Environmental Impact Assessment of Facilities and Works – REIAFW (Official Bulletin of Republic of Serbia, No. 61/92) does not specifically mention which body/institution is responsible for monitoring the implementation of measures contained in the EIA.

Regulations on Conditions and Criteria for Conducting Environmental Impact Assessment of Facilities and Works (Official Bulletin of Republic of Serbia, No. 49/2001) provides conditions and criteria that must be met by organizations/institutions to be certified to conduct EIA.

Law on Environmental Protection of Republic of Serbia (Official Bulletin of Republic of Serbia, No. 66/91, 83/92, 53/93, 67/93, 48/94, 53/95) in its section “Conservation of Natural Goods” under sub-sections 7.4. “Expert Monitoring” (Article 53.), states that expert monitoring of works ventured in course of implementation of programs of development and protection of natural goods is obligatory and is conducted by the institution responsible for natural protection.

Law on Environmental Protection of Republic of Serbia (Official Bulletin of Republic of Serbia, No. 66/91, 83/92, 53/93, 67/93, 48/94, 53/95) in its section “Inspection Service” (Article 91.) states that monitoring over implementation of regulations of the Law and other regulations adopted according to the Law is done by the Ministry if not decided otherwise.

Article 91., paragraph 2, of Law on Environmental Protection of Republic of Serbia (Official Bulletin of Republic of Serbia, No. 66/91, 83/92, 53/93, 67/93, 48/94, 53/95) states that monitoring over implementation of measures for protection of air, protected natural areas, noise, vibrations, hazardous substances and ionizing radiation is conducted by an environmental inspector.

5.3.1.2. Republic of Montenegro

EIA is conducted for all actions that are planned or conducted by legal or physical individuals, local or foreign that might result in polluting the environment in a form of Survey of Environmental Impacts (Article 17, Law on the Environment of Republic of Montenegro, Official Bulletin of Republic of Montenegro, and No. 12/96).

The assessment must be done by the investor prior to undertaking actions from described in paragraph of this Article (Article 17, Law on the Environment of Republic of Montenegro). The Assessment identifies, describes and foresees direct and indirect environmental impacts, particularly in regards to:

1. Population, flora and fauna;
2. Soil, water and sea, air, climate and landscapes;
3. Interrelation of factors under 1. and 2;
4. Material goods and cultural-historic heritage;
5. Economic and social environment.

List of facilities and works that EIA must be conducted for is provided as an Annex to Decree on Environmental Impact Assessment of Undertakings (Official Bulletin of Republic of Montenegro, No. 14/97).

Contents of the Survey of Environmental Impacts are precisely defined in the Decree on Environmental Impact Assessment of Undertakings (Official Bulletin of Republic of Montenegro, No. 21/97).

The Environmental Impact Assessment is prepared following defined procedures, by experts accredited by the environmental authorities. For example, the Institutes of Public Health (Belgrade, Novi Sad) play a role in EIA for development projects. The assessment is then reviewed and eventually accepted by the competent Ministry. There are no provisions for public participation and access to information in the EIA Act.

During the EIA process and the consequent permitting process, statements and assessments are prepared by various authorities and expert bodies including e.g. the Serbian Institute for Nature Protection or inspectorates. These statements or “compliances” are taken into account.

5.3.2.Environmental Impact Assessment in a Transboundary Context

There is a translation of Environmental Impact Assessment in a Transboundary Context Convention, but its revision is necessary. There is also an operational version of the proposal of the law on approval of this international agreement, made a few years ago, yet it is necessary to add a certain innovation to it. It is as well necessary to estimate the possibility of the economic interest from the aspect of implications of joining this Convention.

It is planned to ratify the ESPO Convention until the end of 2002 year.

The procedure of the environmental impact assessment is realized at the republic level. In Serbia, it was established in 1992 (Operating Procedure on impact assessment of objects, i.e. activities on the environment (“Official Register of the Republic of Serbia”, no. 61/92). In Montenegro, this procedure was established in 1997 (Book of Regulations on environmental impact assessment, “Official Register of the Republic of Montenegro”, no. 14/97).

In regard to the procedure of environmental impact assessment in a transboundary context, the (federal) Law on Basic Issues of Environmental Protection (“Yugoslav Official Register”, no. 24/98) already contains regulations related to the application of this procedure in a transboundary context. In the Article 20, Paragraph 3, of this Law, the federal organ authorized for environmental issues is assigned as the authorized organ for information transfer with other countries. This Article specifies that, in the case of transboundary pollution, the information transfer with authorized organs in other countries is done by the federal ministry.

A more complex analysis of the Yugoslav regulations, relevant for environmental impact assessment (federal and republic), indicates that there are certain premises for application of the ESPO Convention norms in FRY. Furthermore, it is clear that, for a high quality and more detailed application of the ESPO Convention norms, certain changes and additions of some existing regulations should be made (procedural question of cooperation of the authorized organs, participation of the public in decision-making, etc.). However, the least clear question is the question of influence of a consistent fulfillment of duties from the ESPO Convention on the condition of the economy in FRY, yet the potential benefit arising from the approval of this international agreement should not be forgotten indeed.

5.3.3. Operating permits

The issues concerning operating permits are regulated under the following legislative acts:

FR YUGOSLAVIA

- ? Law on water regime (Official Journal of FR Yugoslavia, No. 59/98);

SERBIA

- ? Law on Planning and Disposition of Space and Settlements (Official Bulletin of Republic of Serbia, No. 44/95, 23/96, 16/97, 46/98);
- ? Law on Construction of Facilities (Official Bulletin of Republic of Serbia, No. 44/95, 24/96, 16/97);
- ? Law on Special Conditions for Granting Building Permits and Utilization Permits for Certain Facilities (Official Bulletin of Republic of Serbia, No. 16/97);
- ? Law on Waters (Official Bulletin of Republic of Serbia, No. 46/91, 53/93, 67/93, 48/94, 54/96);
- ? Regulations on the Contents of Technical Documentation Submitted in the Procedure for Granting Water Resources Compliance and Water Resources Permit (Official Bulletin of Socialist Republic of Serbia, No. 3/78);
- ? Regulations on Determining of Business and other Facilities Excluded from Provisions of Applying for Water Resources Compliance (Official Bulletin of Republic of Serbia, No. 41/94)

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- ? Law on Planning and Spatial Organization (Official Journal of RM, No. 16/95, 22/95, 22/95, 10/00);
- ? Law on Construction of Facilities (Official Journal of RM, No. 55/00);
- ? Law on Urbanistic and Construction Inspection (Official Journal of RM, No. 56/92, 16/95, 23/95)

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- ? Law on Waters (Official Journal of RM, No. 16/95, 22/95)
- ? Regulation on Contents of Technical Documentation Necessary for Issuing Water Resources Compliance and Water Resources Permit (Official Journal, 4/96)

The issues concerning operating permits for putting objects into operation regarding the environment are regulated under the following legislative acts:

SERBIA

- ? Law on Environmental Protection ((Official Bulletin of Republic of Serbia, No. 66/91, 83/92, 53/92, 67/93, 48/94, 53/95)
- ? Regulations on the Environmental Impact Assessment of Facilities and Works (Official Bulletin of Republic of Serbia, No. 61/92);
- ? Law on Sanitary Monitoring (Official Bulletin of Republic of Serbia, No. 34/94);
- ? Regulations on Proofs Submitted with the Request for Granting Sanitary Compliance (Official Bulletin of Republic of Serbia, No. 5/95).

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- ? Law on Environment (Official Journal of RM, No. 12/96);
- ? Regulations on the Environmental Impact Assessment Study for Operations in the Environment (Official Journal of RM, No. 14/97);
- ? Guidelines on Contents of Environment Impact Assessment Study for Operations in the Environment (Official Journal of RM, No. 21/97)

For each change in the space as a result of construction of given facilities or realizing other works an urban planning permit is required. According to the *Law on Planning and Disposition of Space and Settlements* the *urban planning permit* can be granted by the related Ministry for urban planning or municipality competent for granting construction permit for the given facilities and *urban consent on technical documentation* (Article 41. in RS)/approval of location and urban compliance by related ministry or municipality for urban planning and compliance of ministry for environmental protection on technical documentation in Montenegro (Article 57.and 61.in RM).

The permit designates the spatial location for construction and determines urban planning, technical and other conditions for the construction. The permit is granted for the period of up to five years, without any extension period. The permit becomes ineffective in the period of three years after granting if the request for granting the construction permit is not submitted (Article 44. and 45. in RS). Approval of location in Montenegro is granted in the period of up to one year, if there is no request for construction permit (Article 54. in RM).

The *construction and utilization permits* are granted according to the provisions of the *Law on Construction of Facilities*. If the Environmental impact assessment is needed for given facilities it is necessary this assessment to become a part of the technical documentation for the construction of given facilities (Article 4. in RS) (Article 13 in RM). The construction may begin upon obtaining the construction permit. The construction permit, in cases listed (Article 24 in RS) (article 32 in RM), the republic ministry in charge with construction issues grants Law on Construction of Facilities. Construction permits for usually certain smaller facilities are granted by the municipality or the city.

The facilities may be utilized upon the obtaining of the utilization permit. The utilization permit is granted by the organ in charge for granting utilization permits (Article 38 in RS) (Article 51 in RM).

Water resources permit determines ways and conditions for utilization of waters and water discharge. The water resources permit is granted by the *organ that granted the water resources compliance* (see the details in the water supply section of these analyses). The permit is granted on a limited period of time, maximum ten years. Approval for utilization of facilities may be granted upon granting the water resources permit for given facilities.

The *water resources compliance* granted by the *federal organ competent for water resources issues* is necessary if construction of new facilities or reconstruction of existing facilities might cause changes in the regime of surface and groundwater of interest for the country and international waters (Article 16 in FRY).

The *sanitary compliance* (granted by the Republic Ministry of Health-Serbia) may be requested along with the abovementioned permits.

5.3.4.Regulations Governing Environmental Audits and Pollution Control in Existing Enterprises

The control over the fulfillment of legislation that determines the obligations stated in environmental impact assessments of facilities (construction of new and reconstruction of old) and works in the environment, is among the highest priorities of inspectorates in FR Yugoslavia and its member republics. The inspection checked if the acts on conditions for area arrangement contained measures for environmental protection, as well as if the measures for environmental protection, anticipated by the impact assessments approved by the Ministry of Environmental Protection, were conducted during the construction and functioning of an particular facility or work.

Regardless of legal duties of the authorized municipal organ to condition the issuing of permits for certain activities with a previous permit regarding the Impact Assessment, this is often not respected. Also, it is usual that the act on fulfillment of conditions for the environmental protection is issued by an unauthorized organ (municipal i.e. city inspector of environmental protection), and thus a large number of objects start functioning before taking adequate measures for environmental protection that would have been prescribed by the Impact Assessment.

It is also rather frequent that the Impact Assessment is done and the permit of the Ministry obtained, yet the object was put into operation without fulfilling certain protection measures. This is possible due to the fact that the investor has no legal obligations to obtain a permit from ecological inspectors on fulfilled measures of the environmental protection before obtaining a technical acceptance or utilization permit.

Special activities of the environmental inspection are intended to control the activation of those facilities that were not functioning for longer time periods. Particular measures are taken to estimate the condition of the equipment and, after the elimination of deficiencies and fulfilled measures for damage prevention, the inspectors, together with experts from the Ministry, increase the control and offer the necessary support during the re-activation of the

facilities. A special attention is paid to companies from the chemical industry and to potentially large environmental polluters.

5.4. Regulations governing import / export of goods

Environmental regulations governing import / export of goods are developed in line with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES Convention, <http://www.cites.org/>) and The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (<http://www.basel.int>). FR Yugoslavia adopted both conventions – Basel convention in 1999 (Official Journal of FR Yugoslavia – International Agreements No. 2/1999) and CITES convention in 2001 (Official Journal of FR Yugoslavia, International Agreements, No. 11/2001).

Concerning substances that deplete the ozone layer, Federative Republic of Yugoslavia is a signatory to the The Montreal Protocol on Substances that Deplete the Ozone Layer (<http://www.unep.ch/ozone/mont t.shtml>).

Roles of environmental authorities in licensing and approval processes differ at different level of governance within FR Yugoslavia.

5.4.1.Import / export of hazardous wastes and their disposal

5.4.1.1. Federal Level

FRY implements the Basel Convention in accordance with the approved international agreement: the Law on Approval of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Official Journal of FR Yugoslavia – International Agreements, no. 2/99). This Convention is in force in FRY since July 17, 2000.

For the implementation of the Basel Convention, several internal regulations are relevant in FRY.

The Law on Basic Issues of Environmental Protection (Official Journal of FR Yugoslavia, no. 24/98) particularly specifies that:

- ? Wastes can be imported only if they cannot be acquired in FRY, and are indispensable in production as a secondary raw material (Article 26, Paragraph 1);
- ? License for import, export and transit of wastes is issued by the federal ministry authorized for environmental issues (Article 26, Paragraph 2);
- ? Documentation prescribed by the federal ministry has to be supplemented to the request for license (Article 26, Paragraph 3);
- ? Federal Ministry controls waste movements across the territory of FRY (Article 26, Paragraph 4);
- ? Inspection control is realized by the federal ecological inspector at border crossings during import, export and transit of wastes (Article 39).

The Book of Regulations supplemented to the request for import, export and transit of wastes (Official Journal of FR Yugoslavia, no. 69/99) contains regulations that regard the necessary documentation for issuing the license for transboundary movements of wastes.

The exporter or importer submits the request for license for import, export and transit of wastes to the Federal Secretariat of Labor, Health and Social Care, supplemented with general and special documentation.

The Notification and the Document on waste movements are supplemented to each waste shipment (Article 4)

List No. 1 of the book of Regulations contains new types of hazardous wastes according to the national criteria. Those substance could be only exported or transit, while import is banned.

The wastes that are not hazardous are specified in the List No. 2 of the Book of Regulations, according to the classification of wastes in the Green (G) list of wastes in the system of EU/OECD and the Annex IX to the Basel Convention. Those substances could be imported, exported or transit.

5.4.1.1.1. Issuing license

The authorized organ for issuing licenses for import, export and transport of wastes is the Federal Secretariat of Labor, Health and Social Care – Environmental Department. Transboundary movements of hazardous and other wastes can only be done with the previous written notification of those state organs and according to the license issued by these organs, which approves such movements of wastes.

The importer or exporter submits the request for issuing license for import, export and transport of wastes together with supplementary general and specific documentation.

The Document on movements of wastes is the form that is supplemented to each waste shipment. The form is issued after the approval of all states included in transboundary movements of wastes. Each form has its ordinal numeral and the unique ordinal numeral of the Notification on transboundary movements of wastes.

In order to obtain a license for import, export or transit from the Federal Secretariat, it is necessary first to obtain a Certificate on characterization of the waste. That Certificate is issued by the City Public Health Institute in Belgrade, 29. Novembra 54a Street, as authorized laboratory – authorized organ for characterization of wastes.

5.4.2.Import / export of substances that deplete the ozone layer

FR Yugoslavia is a signatory to the The Vienna Convention on Protection of Ozone Layer (Official Journal of FR Yugoslavia, International Contracts, No. 1/90) as well as to The Montreal Protocol on Substances that Deplete the Ozone Layer (Official Journal of FR Yugoslavia, International Contracts, No. 16/90). As a member state FRY implements regulations of both international contracts in scope of international trade. Those regulations are fully implemented into federal legislative, namely in the Law on Foreign Trade (Official Journal of FR Yugoslavia, nos 46/92, 49/92, 16/93, 24/94, 29/97, 59/98, 44/99, 53/99, 73/2000 and 23/2001).

The Federal Secretariat for Labor, Health and Social Care – Department for Health is responsible for issuing import / export D1 permit for the substances which are harmful for ozone layer, according official list (Decree on Classification Goods into Types of Export and Import, Official Journal of FR Yugoslavia, nos 25/2001, 27/2001).

5.4.3. Ionizing Radiation and Nuclear Safety

5.4.3.1. Federal Level

This issue is regulated at federal level by:

- ? Law on Protection Against Ionizing Radiation (Official Journal of FR Yugoslavia, No. 46/96);
- ? Decision on Conditions for Location, Construction, Test operation, Put into Operation, Stop of Working Nuclear Facilities (Official Journal of FR Yugoslavia, No. 42/97);
- ? Law on Ban of Construction of Nuclear Power Station (Official Journal of FR Yugoslavia, No. 12/95)
- ? Law on Transport of Hazardous Substances ((Official Journal of SFR Yugoslavia, No. 27/90, 47/90)

Import of radioactive waste materials of foreign origin, processing, storage and disposal **are ban** in the territory of the Federal Republic of Yugoslavia. (Article 21. of Law on Protection against of Ionizing Radiation). Nuclear safety measures are obligatory for location, construction, put into operation, utilization and permanent stop working of nuclear facilities (Article 24. of Law). Nuclear facility is facility in which the nuclear material is used, except nuclear power station, installations for production nuclear fuel and processing of used nuclear fuel (Article 2. par. 7).

Nuclear facility may be constructed only on the location determined under space and urban plans. There is no possibility to locate, construct, test operation, put into operation, and permanent stop working of nuclear facility without permit issued by the federal competent authority (Federal Ministry for Economy). The permit could be issued if federal competent authority confirms that safety measures are undertaken, on the basis of prescribed nuclear safety report and other prescribed documentations (Article 25. of Law). Nuclear facility would be project, construct, and put into operation, upkeep and permanent stop working under Yugoslav standards, technical normative and quality norms of products and service which obtain prescribed nuclear safety of facility.

Construction of nuclear power, installations for production of nuclear fuel and installation for processing of used nuclear fuel for nuclear power is ban in the Federal Republic of Yugoslavia (Article 1. of Law on Ban of Nuclear Power Station).

This Decision prescribes special conditions for location, construction, and test operation, put into operation, use and permanent stop working of nuclear facility. Nuclear facility is determined in the scope of space and urban plans.

Permits for export/transit of radioactive materials are issued by the federal competent authority – Federal Secretariat for Labor, Health and Social Care – Department for Health in cooperation with federal Ministry for Internal Affairs (Law on Transport of Hazardous Substances).

5.4.3.2. Republic level

In Serbia and Montenegro this issue is regulated by:

- ? Law on Construction of Facilities (Official Bulletin of Republic of Serbia, No. 44/95, 24/96, 16/97);
- ? Law on Construction of Facilities (Official Journal of RM, No. 55/00)

Construction permits are issued for nuclear facility and other facilities for production energy and nuclear fuel for scientific researcher, and storage of radioactive waste materials (Article 24, para.2) of Law in RS) / similar facilities and installations (Article 32 Para 1) of Law in RM).

5.4.4. Other FRY regulations for import of hazardous substances

The Law on Transport of Hazardous Substances (Official Journal of FR Yugoslavia, no. 27/90 and 45/90) **forbids** the import of wastes of hazardous substances of foreign origin for temporary or permanent disposal on the territory of FRY (Article 28). A new obligation for the holder of the handling right, i.e. owner, to insure the hazardous substance in case of damage to third parties due to death, body or health injury, damaged or destroyed property or pollution of the environment during transport, is introduced (Article 8).

The Law on Foreign Trade (Official Journal of FR Yugoslavia, nos. 6/92, 49/92, 16/93, 24/94, 28/96, 29/97, 59/98, 44/99, 53/99 and 55/99) regulates that:

- ? Goods for which an ecological control is obligatory can be imported or temporarily imported if it fulfills the prescribed requirements (Article 10, Paragraph 2);
- ? In order to prevent life and health risks for people and risks for the environment, the Federal Government bans import and export of certain goods across the territory of FRY, or prescribes conditions under which import, i.e. export of such goods is allowed (Article 10, Paragraph 6);
- ? Import of hazardous waste substances is forbidden (Article 12, Paragraph 6).

Regarding the Law on Customs (Official Journal of FR Yugoslavia, nos. 45/92, 16/93, 50/93, 24/94, 28/96, 29/97 and 59/98), relevant regulations are those that regard the customs control and treatment of goods that are harmful or dangerous for the environment.

According to the Law on Customs Tariff (Official Journal of FR Yugoslavia, no. 23/2001), a major part of the waste that is controlled in the transboundary traffic does not have a tariff number of the customs tariff. The determination of the customs tariff in scope of the work of the World Customs Organization and the Secretariat of the Basel Convention is under way.

5.4.4.1. Republic of Serbia

In the Republic of Serbia, this domain is regulated in scope of the Law on Environmental Protection (Official Journal of Republic of Serbia nos. 66/91, 83/92, 53/93, 67/93, 48/94 and 53/95). The domestic or imported technology cannot be applied and products cannot be put on sale on the territory of the Republic, if they do not fulfill the prescribed norms of environmental protection, i.e. norms of quality, or if the product is banned in the exporting country. The Ministry can, in case of doubt, order that a technology or product have to be examined, although it is provided with a prescribed document related to the harmful effects on the environment, and in that case it assigns the expert organization (Article 17).

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The waste material is collected, classified, prepared for usage as secondary raw material, processed and temporarily or permanently stored and, if necessary, destroyed, under control (Article 82, Paragraph 1).

The processing, storage and disposal of radioactive and other wastes that have characteristics of hazardous substances of foreign origin **are banned** on the territory of the Republic (Article 82, Paragraph 2).

Treatment of hazardous substances in production, usage, transport, traffic, storage and disposal is done in a manner that will not endanger life and health of people and will not pollute the environment (Article 83, Paragraph 1).

The Law on Waste Handling (Official Journal of Republic of Serbia, no. 25/96) specifies handling with wastes that can be used as secondary raw material, as well as the methods of their collecting, processing and storage (Article 1).

The tasks of monitoring and control of the usage of secondary raw material, data registry and measures of protection are realized by a special republic organization – Agency for Recycling (Article 6, Articles 22-24). The Law specifies handling with wastes-secondary raw material as well (Articles 11-17).

The minister of environment issued the Book of Regulations on methods of treatment of specific wastes that have characteristics of hazardous substances (Official Journal of Republic of Serbia, no. 12/95), which defines and classifies wastes in accordance with the Basel Convention, methods of temporary storage at the location of the manufacturer, criteria for choosing the location for storage, necessary technical requirements, and registration of dangerous wastes.

5.4.4.2. Republic of Montenegro

In the Republic of Montenegro, the implementation of the norms of the Basel Convention is regulated in a similar way. Several regulations are relevant. The Law on Environmental Issues (Official Journal of Republic of Montenegro, no. 16/96) specifies the ban of application or usage of technologies, products, semi finished products or raw material forbidden in the exporting or manufacturing country (Article 9, Paragraph 2). The Law also limits the import of wastes, except with the permission of the ministry authorized for environmental protection (Article 10, Paragraph 1). Besides this Law, some other regulations are relevant as well: Law on Maintenance of Hygiene, Collecting and Usage of Wastes (Official Journal of Republic of Montenegro., nos. 20/81, 26/81, 2/89, 19/89), Law on Water Supply, Discharge of Waste Waters and Solid Waste Disposal for municipalities of Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj and Cetinje (Official Journal of Republic of Montenegro, no. 46/91), Book of Regulations on criteria for choosing location, methods and procedures of disposal of waste substances (Official Journal of Republic of Montenegro, no. 56/00), etc.

5.4.5. International trade of endangered species of wild flora and fauna

The responsibility over endangered species of wild flora and fauna in international trade is distributed between:

- ? Federal organs (authorized federal organ for issuing licenses, for foreign trade, customs, police, and republic organs authorized for protection of wild flora and fauna);
- ? Economy sector (importer, exporter, transporter);
- ? Scientific-expert organizations.

Principally, it is relatively clear what each organ has to do in regard to the regulations.

However, in practice, problems arise due to the unawareness of the certain regulations and to the overlap of authority of particular organs.

5.4.5.1. Federal Level

FRY has joined the CITES Convention by issuing the Law on Approval of the CITES Convention on International Trade of Endangered Species of Wild Flora and Fauna on November 5, 2001 (Official Journal of FR Yugoslavia, International Agreements, no. 11/2001). Before that, FRY has applied the CITES Convention (Article X), which relates to the non-member countries as well, through issuing licenses and certificates comparable with CITES documents.

5.4.5.1.1. Import, export and transit of endangered and protected species of wild flora and fauna, and their developmental stages and parts

The authorized organ for communication with the CITES secretariat, i.e. for issuing licenses for import, export and transit of endangered and protected species of wild flora and fauna, is the Federal Secretariat of Labor, Health and Social Care – Environmental Sector.

The finalization of a Draft Book of Regulations on export, import and transit of endangered and protected species of wild flora and fauna is under way, which will be issued by the Federal Secretariat of Labor, Health and Social Care – Environmental Sector, in accordance with the regulations of the CITES Convention.

5.4.5.1.1.1. Issuing license

The exporter or importer submits the request for a license for import, export and transit to the Federal Secretariat for Labor, Health and Social Care – Environmental Sector, with supplementing documentation, in accordance with the CITES Convention.

The CITES license and certificates are issued as a form prescribed by the CITES Convention.

The license must accompany each shipment.

5.4.5.1.1.2. Other FRY regulations for export of protected mobile natural assets

The Law on Foreign Trade (Official Journal of FR Yugoslavia, nos. 46/92, 16/93, 29/97, 59/98, 44/99, 53/99, 73/2000 and 23/2001) specifies that the export of protected mobile natural assets is realized according to a special license. A corresponding phyto-sanitary, veterinarian and ecological control of the exported goods are necessary in accordance with the Decree on Classification of the Goods into Import and Export Forms.

5.4.5.1.1.2.1. The phyto-sanitary control

The phyto-sanitary control is realized according to the Law on Plant Protection from Diseases and Pests (Official Journal of FR Yugoslavia, nos. 24/94 and 28/96).

5.4.5.1.1.2.2. The veterinary sanitation control

The veterinary sanitation control is done according to the Law on Animal Protection from Infectious Diseases Representing a Threat to the Whole Country (Official Journal of FR Yugoslavia, nos. 24/94 and 28/96).

5.4.5.1.1.2.3. Customs control

The Law on Customs (Official Journal of FR Yugoslavia, nos. 45/92, 16/93, 50/93, 24/94, 28/96, 29/97, 59/98, and 23/2001) specifies measures of the customs control along borderlines. The Law on Customs Tariff (Official Journal of FR Yugoslavia, no. 23/2001) contains tariffs for particular species of wild flora and fauna.

5.4.5.1.2. Import, export and transit of genetic resources of wild flora and fauna, biotechnologies or genetically modified organisms

The authorized federal organization for genetic resources is the Federal Bureau for Genetic Resources in scope of the Federal Ministry of Economy.

5.4.5.1.2.1. Issuing license

When submitting the request for a license, the applicant supplies the opinion, which states that the environment will not be endangered, of the authorized federal organization, if genetic resources are in question, and of the authorized scientific and expert organizations and authorized scientific and expert institutions, if biotechnologies and genetically modified organisms are in question (Law on Basic Issues of Environmental Protection, Official Journal of FR Yugoslavia, no. 24/98, Article 24).

5.4.5.2. Republic of Serbia

5.4.5.2.1. Protection and conservation of species of wild flora and fauna

The protection and conservation of species of wild flora and fauna at the level of Republic of Serbia is realized through special laws: Law on Environmental Protection (Official Journal of Republic of Serbia, nos. 66/91, 83/92, 53/93, 67/93, 48/94 and 53/95); Law on Hunting (Official Journal of Republic of Serbia, nos. 39/93, 44/93 and 60/93), Law on Fishery (Official Journal of Republic of Serbia, nos. 35/94 and 38/94), Law on Forests (Official Journal of Republic of Serbia, nos. 46/91, 83/92, 53/93, correction 67/93 and 48/94), and through affiliated subordinate legal acts.

Collecting, usage and trade of particular wild plant and animal species, seeds, fruits, eggs and other lower developmental stages, except of game animals, is specified through the acts on controlling the usage and trade of these natural assets, issued by the minister (the Decree on Protection of Natural Rarities of the Republic of Serbia, Official Journal of Republic of Serbia, nos. 50/93 and 93/93, The Decree on Control of Trade of Wild Plant and Animal Species, Official Journal of Republic of Serbia No 17/99). Those acts define the protection of wild species of the lower threat status, which are collected from nature according to the prescribed conditions for they collecting, as well as regulations that the collecting can only be done in certain periods and quantities.

5.4.5.2.1.1. Issuing license

The license for collecting, usage and trade of the natural assets, is issued by the organization that performs expert activities in scope of nature protection (in further text: organization for nature protection). The license specifies the quantity that can be collected, period of the year and area where they can be collected. The company that trades natural assets is obligated to pay compensation for their usage. The level of compensation is determined through the act on controlling the usage and trade of natural assets.

The protection of flora and fauna is realized through a permanent ban of usage, i.e. through the protection of species as natural assets and through the ban of their usage (partial, in a certain area, of certain size and quantity).

Wild species of flora and fauna protected by the permanent ban of usage, i.e. natural rarities, cannot be destroyed, disturbed, hunted or torn, regarding both single specimens and their habitats. These species are protected through a special subordinate legal act, the Decree on Protection of Natural Rarities of the Republic of Serbia (Official Journal of Republic of Serbia, nos. 50/93 and 93/93).

5.4.5.2.2. *Other Serbian regulations for usage and trade of the natural assets*

Through the Law on Forests (Article 45), 6 tree species are protected. It is forbidden to cut Serbian spruce, common yew, Turkish hazel, field elm, mountain maple, hackberry, individual and acknowledged seed trees and communities, trees of rare or endangered species of forest trees, as well as to collect forest fruits and plants that are protected with a special regulation.

Through the Law on Hunting, certain wild species are protected. Hunting includes breeding, protection and usage of game animals. For each hunting ground a registry is established and managed. With a permanent ban of hunting, certain species of mammals are protected (e.g. lynx, stoat, steppe polecat, otter), as well as birds (e.g. storks, swans, all birds of prey – eagles, vultures, hawks, except goshawk, grouses, cranes, gulls etc.). With the ban of hunting in a specific period, particular species of mammals are protected (e.g. red deer, fallow deer, roe deer, chamois, mouflon, brown bear, red squirrel, brown hare, etc.), as well as birds (e.g. grebes, cormorants, gray heron, wild goose, quail, pheasant, pigeons, etc.). A closed season can be determined for other game animals if their survival were threatened in a particular area (game animals out of the protection regime), both mammals (e.g. wolf, jackal, red fox, wild cat, western polecat, etc.) and birds (e.g. hooded crow and magpie).

According to this Law, the minister of agriculture has issued the Decree on Hunting Closed Season for game animals (Official Journal of Republic of Serbia, no. 84/93), which determines the protection of game animals – a closed season – in certain areas and during a certain period of the year. The hunting of protected game animals, both mammals (fur game animals) and birds (game birds) is banned. In the period from May 16 to July 31, only the hunt of male roe deer for breeding purposes can be done.

The freshwater fishery regulates production, catch, keeping, improvement and protection of fish in fishing waters. The Law on Fishery determines the measures of fish protection in fishing areas, and the Decree on Fishing Closed Season for particular fish species in a fishing area or in its parts, specifies the ban of fishing of undersized fish.

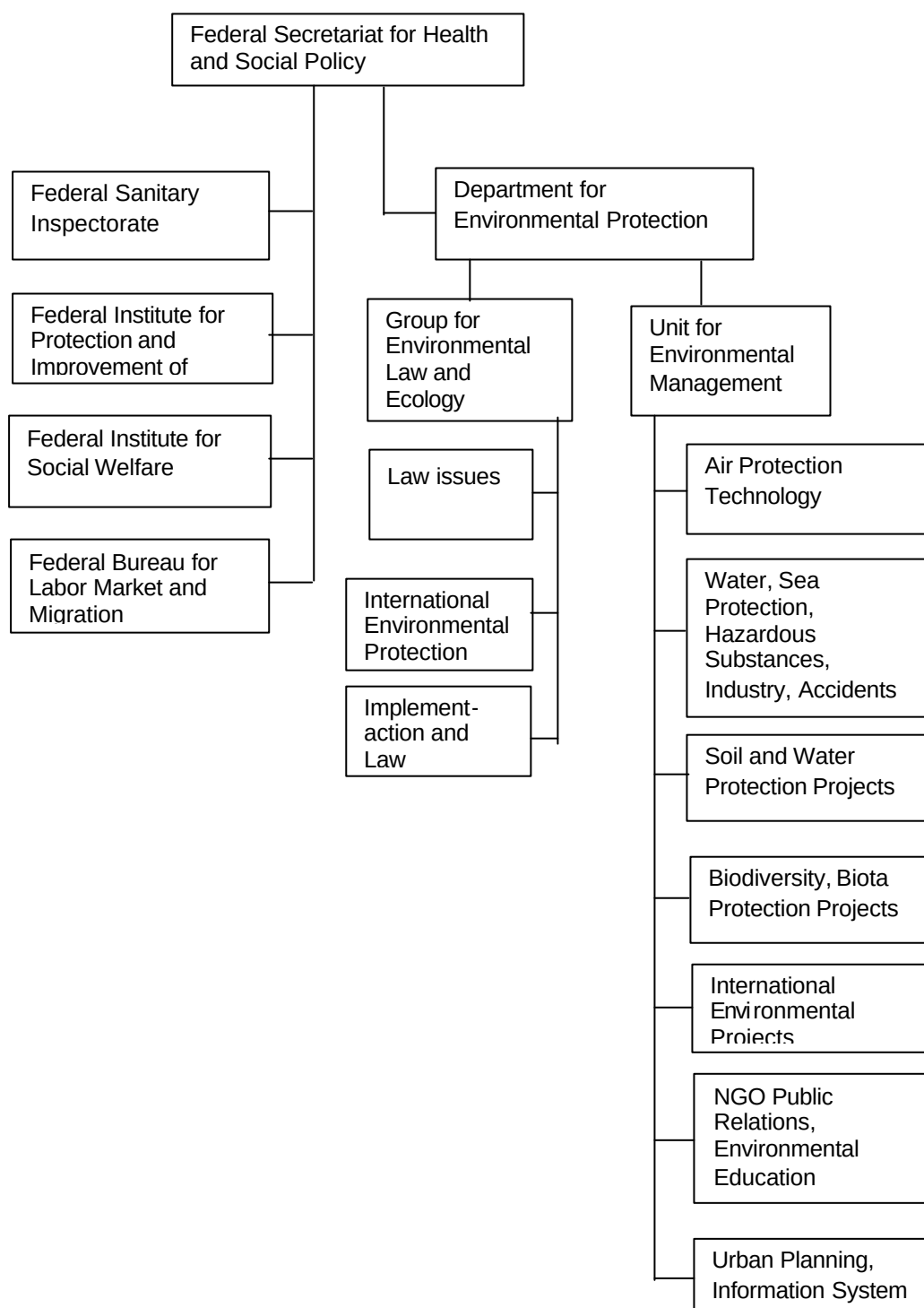
5.4.5.3. Republic of Montenegro

The current legislative of the Republic of Montenegro, relevant for the CITES Convention, is based on the same framework as the legislative of the Republic of Serbia. There are several important regulations. In scope of the Law on Environmental Protection, the following laws specify that the particular endangered plant and animal species are protected with a permanent protection, closed season, etc.: Law on Hunting (Official Journal of Republic of Montenegro No. 47/99), Decree on Protection of Rare, Scarce, Endemic and Endangered Plant and Animal Species (Official Journal of Republic of Montenegro No. 36/82), Law on Sea Fishery (Official Journal of Republic of Montenegro Nos 26/92, 59/92), Law on Freshwater Fishery (Official Journal of Republic of Montenegro Nos 39/76, 51/76, 34/88; Official Journal of Republic of Montenegro No. 4/92), Law on Forests (Official Journal of Republic of Montenegro No. 55/00), and affiliated subordinate legal acts. The Law on Hunting (Official Journal of Republic of Montenegro No. 47/99) specifies that caught game animals and trophies cannot be taken out of the hunting grounds and put into traffic without a shipment document, i.e. trophy certificate, issued by the user of the hunting ground, in accordance with the regulation issued by the authorized Ministry. A subordinate legal act is under preparation, which will regulate usage and traffic control of plant and animal species.

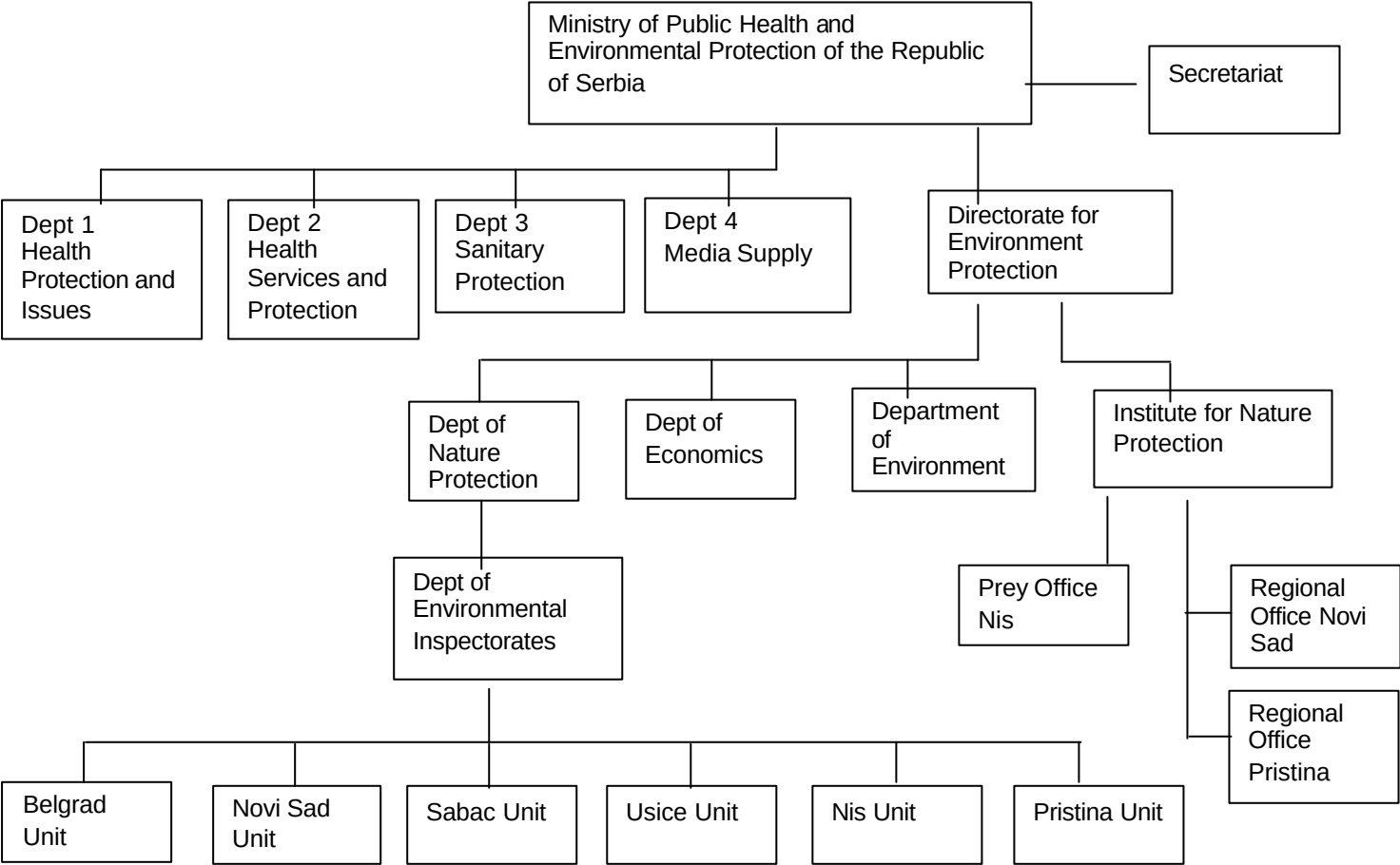
Annex 1. Map of FR Yugoslavia

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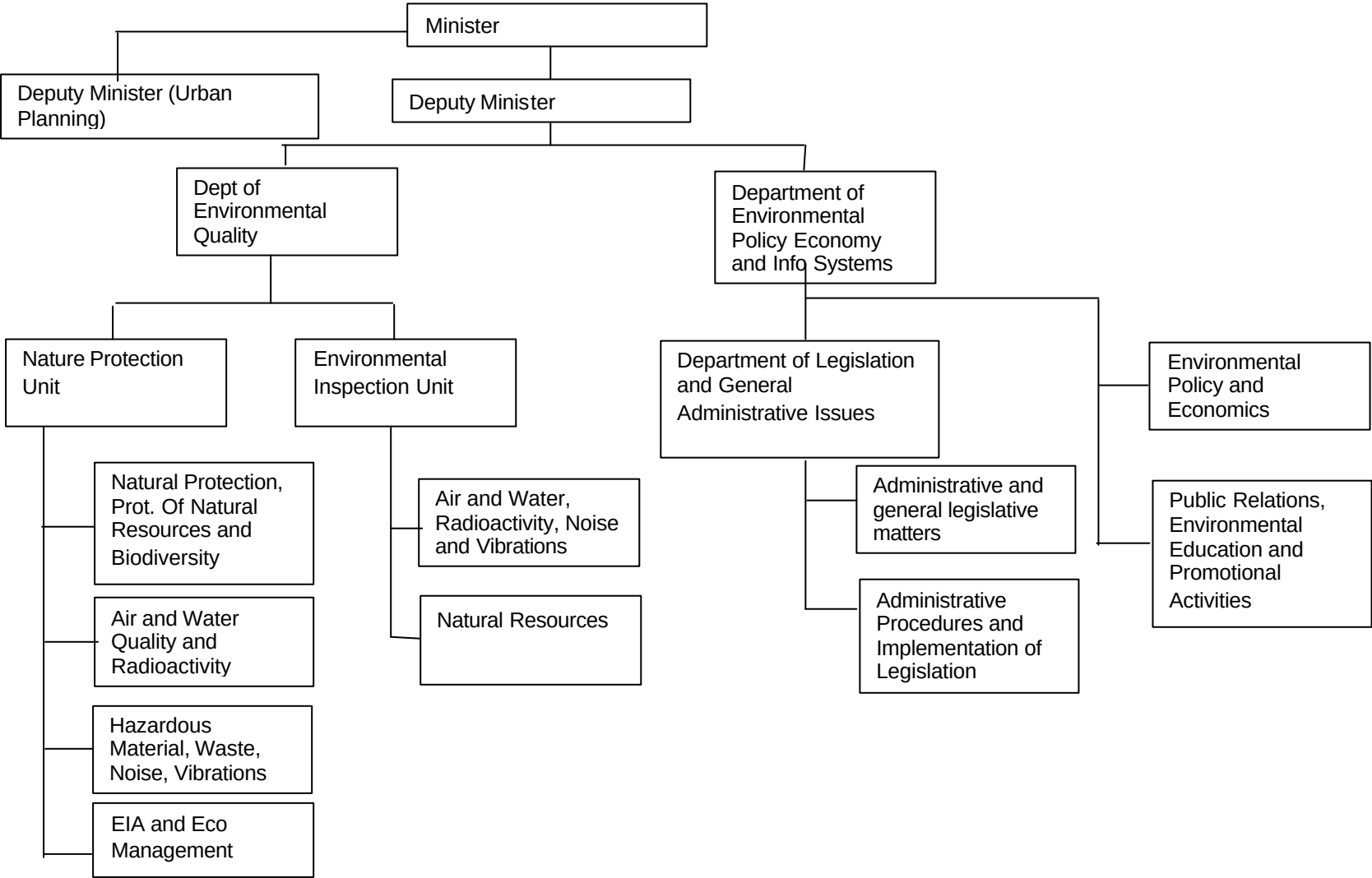


Annex 2. Organizational Chart of the Federal Secretariat for Health and Social Policy

Annex 3. Organizational Chart of the Ministry of Public Health and Environmental Protection of the Republic of Serbia



Annex 4. Organizational Chart of the Ministry of Environmental Protection and Urban Planning, Montenegro



Annex 5. Check list No. 4

Annex 6. Check List No.5

Annex 7. Check List No.6

Annex 8. Check List No.7

Annex 9. Check List No.8