The World Bank

SERBIA LOCAL INFRASTRUCTURE AND INSTITUTIONAL DEVELOPMENT PROJECT

**STRENGHTHENING CAPACITY FOR INFRASTRUCTURE SERVICE DELIVERY**

Technical Assistance: Identification and Preparation of Project Pipeline and Preparation of Technical Documentation and PFS/FS for Eligible and Selected Projects –up to 15 Pilot LSGs

Terms of Reference

**August 2025**

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Abbreviations and Acronyms

| **Abbreviation** | **Description** |
| --- | --- |
| CBA | Cost Benefit Analysis |
| EoI | Expression of Interest |
| ESF of WB | Environmental and Social Framework of the World Bank |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| EU | European Union |
| FS | Feasibility Study |
| GHG | Greenhouse gas |
| GoS | Government of Serbia |
| IFI | International Financing Institution |
| LIID Project | Local Infrastructure and Institutional Development Project |
| LSG | Local Self-Government |
| MoCTI | Ministry of Construction, Transport, and Infrastructure- Client |
| JV | Joint Venture |
| PFS | Pre-feasibility Study |
| PIU | Project Implementation Unit |
| SECO | Economic Cooperation and Development division of the Swiss State Secretariat for Economic Affairs |
| SUDS | Sustainable Urban Development Strategy |
| SURGE | Sustainable Urban and Regional Development Umbrella Program of the WB |
| SCTM | Standing Conferences of Towns and Municipalities |
| ToR | Terms of Reference |
| WB | World Bank |

# PROJECT BACKGROUND

Serbia aspires to become a member of the European Union (EU) but still faces persistent challenges. Major fiscal consolidation supported by structural reforms since 2014 has helped to restore macroeconomic stability and to create fiscal buffers needed for a decisive response to the COVID-19 pandemic. At the same time, the country needs a stronger focus on the key constraints to inclusion, sustainability, and resilience. Poverty and inequality levels in Serbia are still significantly higher than in comparator countries, with disadvantaged groups and subnational regions persistently lagging in key socio-economic indicators. Environmental sustainability concerns have become more prominent, with pressing issues such as air pollution and an extremely carbon-intensive economy. Improvements in government effectiveness and accountability have stagnated in recent years, despite some reform efforts, holding back stronger progress across other areas. The ongoing EU accession process offers opportunities to accelerate the reform agenda.

The European Green Deal provides a unique opportunity for Serbia to take steps toward a cleaner, low carbon economy. The European Green Deal sets ambitious climate action goals, including reduction of greenhouse gas (GHG) emissions by 55 percent by 2030 and carbon neutrality by 2050. Serbia confirmed its commitment to the EU Green Deal and addressing climate change by signing the Sofia Declaration on the Green Agenda for the Western Balkans in November 2020 and adopting a 58-point action plan for the period until 2030 in October 2021. Serbia has also promoted several policies such as the Sustainable Urban Development Strategy (SUDS, 2019), the Law on Climate Change in 2021, and four new energy related laws in 2021.

Serbia is organized as a unitary state, with a strong central government and significant regional inequalities. At the subnational government levels, Local Self-Governments (LSGs) consist of municipalities, the city of Belgrade and other cities in Serbia. The 145 LSGs (117 municipalities, 27 cities and the capital City of Belgrade) have an average population of 48,000, being 37 percent higher than EU average. They are grouped in 25 districts, out of which 13 are classed as “lagging regions”. Most responsibilities are shared between the central government and LSGs.

The main function of LSGs include development planning, services delivery, management of assets, and implementation of local capital investments, often through local public service companies owned by LSGs. LSGs support local economic development, maintain, and manage local roads and other public infrastructure, and provide local services including water, waste disposal, public transportation, education, and health. In addition, the LSGs exercise public responsibilities, i.e., tasks delegated by the GoS to LSGs through special laws. In undertaking their functions, LSGs are guided by regulations on planning, project implementation, service delivery, finance, and infrastructure network management. While much of the policy and regulatory framework for these areas is in place, LSGs often lack the capacity and financing to effectively apply them.

Serbia’s overall strategy development and policy coordination have seen some progress, but implementation gaps remain. Numerous new strategic documents and action plans have been developed, based on the 2018 Law on the Planning System. These include a new Local Self-Government Strategy, as well as a wide range of environmental and climate-related and sectorial strategies. One of the most important LSG documents is the Local Development Plan (LDP), a long-term development planning document for a period of at least seven years that determines medium-term plans and resulting annual and medium cycle budgeting processes. A significant challenge for LSGs will be to ensure horizontal and vertical coordination of different planning documents and across sectoral boundaries as well as alignment of strategies, action plans, and linkages to budgeting processes and mobilizing financial resources.

In this context, the GoS, financed by the World Bank, is implementing the Local Infrastructure and Institutional Development Project (LIID) that should strengthen infrastructure service delivery at the local level with a focus on improving mobility in a sustainable manner to increase accessibility to economic and social opportunities. This operation will support the scale-up of inclusive, green, and sustainable transport infrastructure service delivery as a means of ensuring green growth and more equitable development across the country.AFD is contributing in co-financing to the Project and has worked side by side with the Bank in critical aspects of the design of the operation.

The LIID Project will finance a mixture of investment and technical assistance to improve green and inclusive infrastructure service delivery at the local level, including the implementation of the relevant chapters of SUDS. The Project will focus on strengthening capacities and technical approaches to implement existing regulatory, planning, and legal frameworks. Investments will prioritize improving integrated mobility infrastructure and overall resilience of LSGs. The LIID Project will open a path for a long-term engagement in support of LSGs in Serbia. It will inform the development of a policy and investment framework that can be strengthened over time and allow the Bank and other development partners to support Serbia’s EU accession and improved absorption of pre-accession funds.

In addition, the World Bank in partnership with SECO SURGE Trust Fund is supporting the Government of Serbia, and more specifically the Ministry of Construction, Transport, and Infrastructure (MoCTI) to implement the Sustainable Urban Development Strategy (SUDS), approved in June 2019 and associated Action Plan (2021-2022). The overall objective is to strengthen the capacity of the Government of Serbia and selected Serbian municipalities to plan for more sustainable, inclusive, and resilient urban development and local economic recovery. The Serbia specific SECO SURGE Trust Fund activities will support the green transition at the sub-national/ municipal level and as envisaged under the EU Green Deal and requirements of the Multi-annual Financial Framework 2021–27, as well as the Bank’s strategic direction for the post Covid19 recovery in line with the Green, Resilient Inclusive Development (GRID) approach.

# OBJECTIVE AND EXPECTED RESULTS

## OBJECTIVE OF LIID AND PROJECT COMPONENTS

The objective of the LIID Project is to improve LSGs capacity to manage sustainable infrastructure and increase accessibility to economic and social opportunities in a climate aware manner. The LIID Project objective is to be achieved through activities clustered in three components:

**Component 1. Climate Smart Mobility.** The objective is to improve mobility within the LSGs through strengthening systems for transport infrastructure service delivery and supporting transport infrastructure renewal that will increase resilience to natural hazards while reducing emissions of GHGs and local pollutants including PM2.5 and NoX.

Subcomponent 1.1. Investments in Climate Smart Mobility

Subcomponent 1.2 Sustainable Mobility

1. Improve local road network management and resilience
2. Mainstream sustainable and integrated mobility planning
3. Smart mobility research center and solutions through digital technologies

**Component 2. Strengthening Capacity for Infrastructure Service Delivery.** The objective is to improve the effectiveness and sustainability of infrastructure service delivery at the local level through strengthening LSGs’ capacity to implement current planning and PFM policies.

Subcomponent 2.1. Enhanced Participatory Planning and Preparation of Pipeline Projects

1. Participatory Local Development Planning in Pilot LSGs.
2. Identification and Preparation of Pipeline Projects in Pilot LSGs.

Subcomponent 2.2. Strengthened Infrastructure Service Delivery Enablers

1. Improving access to financing.
2. Strengthening institutions and human capacities.
3. Enhancing capacities for climate aware infrastructure service delivery.

**Component 3: Project Management and Awareness Raising.** The objective is to establish an institutional arrangement that will enable successful implementation of the Project and raise awareness about the importance of green transition and sustainable mobility.

## OBJECTIVE OF THE ASSIGNMENT

This Assignment will focus on support to LSGs to enhance the preparation of pipeline projects, strengthening institutions, and improving access to financing. It will specifically support the implementation of Subcomponent 2.1. Enhanced Participatory Planning and Preparation of Pipeline Projects; (ii) Identification and Preparation of Pipeline Projects in Pilot LSGs.

Specifically, this Assignment will provide technical assistance in up to 15 selected Local Self-Governments (LSGs), in accordance with the official classification of local self-government units as defined by the Law on Territorial Organization of the Republic of Serbia ("Official Gazette of RS", No. 129/2007 and subsequent amendments)[[1]](#footnote-1):

1. Task 1 - Identification, selection of the investments on urban development in line with the relevant urban and development planning documents at the national and local levels of the Republic of Serbia and screening of environmental and social risks; and
2. Task 2 – Prioritization and Development of relevant technical documentation, including pre-feasibility studies (PFSs), feasibility studies (FSs) with cost-benefit analysis (CBA) to prepare or speed up implementation for investments that are assessed to be medium and low risk as per World Bank Environmental and Social framework (ESF).

## EXPECTED OUTCOMES

Expected outcomes of the assignment are (associated with Tasks of this assignment as described further in this ToR):

**TASK 1 - DEVELOPMENT OF APPRAISAL METHODOLOGY AND DETERMINATION OF THE LIST OF INVESTMENT PROJECTS**

* Selected LSGs have enhanced the appraisal process in line with national sector strategies and effectively contribute to the establishment of pipeline projects in pilot LSGs for urban development and municipal infrastructure investments regardless of the source of financing.
* Selected LSGs have enhanced capacities to diagnose and assess sustainable, manage environmental and social risks, low-carbon, and resilient urban development needs and have improved investment prioritization and identification of potential funding sources.
* A long and short list of potential pipeline projects that could be financed in selected LSGs under a scale-up of financial resources in the context of LIID or otherwise has been developed. Only projects with an estimated investment value of no less than EUR 2 million and assessed as Low and Medium risk as per Environmental and Social risk categorisation in line with ESF shall be considered for the shortlist.

**Definition of Eligible Sectors and Fields**

To guide the preparation of the list of investment projects and development of technical documentation under this assignment, the following broad sectors are eligible. Full definitions, legal references, and examples of potential project types are provided in **Annex 1 – Eligible Sectors, Fields, and Project Types**.

**I. Eligible Sectors**

1. **Urban Infrastructure and Public Spaces (Sector UP);**
2. **Solid Waste Management (Sector SW);**
3. **Stormwater and Wastewater Management (Sector SWW).**

All projects must be aligned with relevant spatial and urban plans, comply with applicable legal frameworks of the Republic of Serbia, and be consistent with the World Bank’s Environmental and Social Framework (ESF).

**II. ESF Exclusion Criteria**

In line with ESF requirements, this Technical Assistance will **exclude** support for any project that:

* May cause long-term, permanent, or irreversible adverse environmental impacts, especially in sensitive or critical natural habitats;
* Has a high probability of causing serious adverse effects on human health and/or the environment;
* May generate significant adverse social impacts, including risks of conflict or loss of livelihoods;
* Requires physical or economic displacement, including for informal land users;
* Involves forced labor, harmful child labor, or other labor practices inconsistent with ESS2;
* Adversely affects cultural heritage sites, unless within legally permitted retrofitting/conservation frameworks;
* Requires a **full Environmental Impact Assessment (EIA)** under Serbian legislation.

**Note:** Detailed descriptions of eligible fields and project types, as well as cross-cutting requirements on climate change and ESF integration, are available in **Annex 1**.

**TASK 2 - DEVELOPMENT OF TECHNICAL DOCUMENTATION FOR SHORT LISTED INVESTMENT PROJECTS**

Technical and project documentation for financially viable municipal infrastructure projects, as identified by the Client in cooperation with the respective LSGs, as described under Task 1 above.

# Scope of Work

## Inception period

The Inception stage of the TA shall start with the Consultant’s team kick off meeting with the Client and PIU team.

Following the kick-off meeting, the Consultant’s first task shall be to gather the necessary data and information from the Client. The Client shall supply the Consultant with the existing background documentation. Gathered information, data and collected documents shall be included in the Inception Report, with a detailed description and assessment of the current situation.

**At the beginning of the inception period, the Consultant will receive the list of up to 15 Pilot LSGs that will be selected by the Client. The Pilot LSG are likely to be a set medium sized cities ranging from more developed to less developed medium sized cities.**

As the specific output of the inception period, the Consultant shall present an Inception Report, presenting the overall approach, and detailed work plan with framework of activities, methodology, risks, schedule etc.

## Implementation

The activities under this assignment will focus on the identification, assessment, and prioritization of future urban development and municipal infrastructure investment projects. In addition, specific technical assistance will be provided for the preparation of technical documentation, in accordance with the requirements of the Law on Planning and Construction and World Bank Environmental and Social Framework, to ensure investment readiness.

### *Development of appraisal methodology and determination of the List of investment projects*

**Task 1** - The assignment under the Task 1 comprises specific activities, organized chronologically, envisaged to reach the intended results and objectives outlined under the points 2.2 and 2.3. While performing this task, the Consultant shall take into account the findings of the research conducted under the Technical Assistance for Participatory Local Development Planning in Pilot LSGs, implemented as part of the LIID Project. Specifically, if applicable, the Consultant should take into account the findings from the report(s) containing a review of identified key development challenges in pilot LSGs, developed under Task 1 – Improvement of Spatial and Urban Planning Processes at the National and Local Level, Activity (iii), to direct the selection of projects that could be prioritized and developed. In addition, the Consultant shall also consider the assessments developed for 10 selected cities under the Green, Liveable, and Resilient Cities Program in Serbia, which provide valuable insights into infrastructure and service provision gaps, environmental challenges, and urban development needs.

The Consultant shall conduct, but not be limited to, the following activities:

**Activity 1 - Enhancing Appraisal Processes for Municipal Infrastructure Investments:**

* 1. *Sub-Activity 1 - Assessment of up to 15 Pilot LSGs on current appraisal processes, tools, and methodologies.*
     + Develop a structured questionnaire and data collection template to capture key information on existing appraisal processes, tools used, and governance frameworks within each LSG.
     + Conduct on-site visits and virtual interviews with key LSG officials and staff involved in infrastructure project appraisal.
     + Collect and review relevant documents such as project appraisals, planning frameworks, financial models, and previous assessments.
     + Analyze the collected data to evaluate the efficiency, transparency, and robustness of current appraisal methods.
  2. *Sub-Activity 2 – Development of individual assessment reports for each LSG's appraisal process, highlighting strengths, weaknesses, and areas for improvement.*
  3. *Sub-Activity 3 – Organization of a minimum of three workshops involving representatives from al up to 15 Pilot LSGs to present national and international best practices in municipal infrastructure appraisal*
  4. *Sub-Activity 4a - Conducting gap analyses to compare current LSG practices with best practices.*
  5. *Sub -Activity 4 b- Conducting gap analysis to compare current LSG practices on environmental and social risk management with IFIs requirements specifically World Bank.*
  6. *Sub-Activity 5 - Development and dissemination of a guidebook on improved appraisal methodologies.*
  7. *Sub-Activity 6 - Piloting the new methodologies in 3 LSGs and documenting the results.*
  8. *Sub-Activity 7 - Preparing a final comprehensive report detailing all activities, methodologies adopted, tools used, outcomes achieved, lessons learned, and recommendations for future appraisal processes in LSGs.*

**Expected Results for Activity 1**

* **Result 1: Structured Data Collection Tools** - A questionnaire and data collection template designed to gather key information on existing appraisal processes, tools, and governance frameworks within each LSG.
* **Result 2: Assessment Report on Current Appraisal Practices** - A detailed report summarizing the findings from the assessment of up to 15 Pilot LSGs, including an evaluation of the efficiency, transparency, and robustness of current appraisal methods.
* **Result 3: Individual LSG Assessment Reports** – up to 15 individual reports, one for each LSG, outlining the strengths, weaknesses, and areas for improvement in their appraisal processes.
* **Result 4: Workshops on Best Practices:**
  + At least three workshops conducted, with participation from all Pilot LSGs, presenting national and international best practices in municipal infrastructure appraisal.
  + Workshop materials, including presentations, case studies, and summary reports.
* **Result 5: Gap Analysis Report** - A comparative analysis identifying gaps between current LSG appraisal practices and recognized best practices. Specific chapter on gap analysis between current practices and World Bank ESF requirements and EU.
* **Result 6: Guidebook on Improved Appraisal Methodologies** - A comprehensive guidebook outlining enhanced appraisal methodologies, best practices, and practical recommendations for LSGs.
* **Result 7: Pilot Implementation Report** - A pilot testing report documenting the implementation of the new methodologies in 3 LSGs, including findings, challenges, and impact assessments. From the up to 15 Pilot LSGs, the Consultant, in cooperation with the Client, will determine which 3 LSGs will be selected for pilot testing.
* **Result 8: Final Comprehensive Report** - A detailed final report summarizing all activities, methodologies adopted, tools used, outcomes achieved, lessons learned, and recommendations for future improvements in LSG appraisal processes.

**Activity 2 - Development of a Prioritized Pipeline of Investment Projects (long and short list):**

* 1. *Sub-Activity 1: Identification and Screening of Potential Projects*

**Identification:** In cooperation with the PIU, the Consultant should initiate the implementation of the Activity 2 by identifying project ideas of the Pilot LSGs in the priority areas as follows:

The projects shall primarily relate to the following fields – and only projects with an estimated investment value of no less than EUR 2 million and environmental and social risk category of medium and low shall be considered for the shortlist:

1. Urban Infrastructure and Public Spaces;
2. Solid Waste Management;
3. Stormwater and Wastewater Management.

**Exceptions to the defined fields and investment value may be allowed in duly justified cases, where the proposed project demonstrates significant strategic relevance. Any such exceptions shall be subject to prior approval by the Client.** The identification of projects should be based on the appraisal process, which has been established or is currently being developed under Activity 1, specifically:

1. Sub-Activity 5: Development and dissemination of a guidebook on improved appraisal methodologies.
2. Sub-Activity 6: Piloting the new methodologies in 3 LSGs and documenting the results.

**Selection criteria**: The Consultant will establish selection criteria specifically for pipeline projects within this group, ensuring alignment with strategic priorities at both the national and local levels. These criteria will consider key factors such as project feasibility, environmental and social (E&S) considerations, financial viability, and other relevant aspects.

The assessment criteria should also take into account the E&S risk rating of proposed investments, aiming to identify Low and Medium risk projects. Additionally, the Consultant shall reference the methodology for city assessments developed under the Green, Liveable, and Resilient Cities Program in Serbia, a project initiated by the World Bank in collaboration with the Ministry of Construction, Transport, and Infrastructure.

The selection criteria should also emphasize the integration of dual green and digital principles while aligning with:

1. The five pillars of the Green Agenda
2. The Economic and Investment Plan for the Western Balkans
3. National and local strategic frameworks for relevant sectors

**Screening of Potential Projects:**

In order to identify and assess urban development and municipal infrastructure investment opportunities beyond the current scope of the LIID Project, the Consultant shall apply a dual-method approach:

**Method 1: Direct Screening of Project Ideas Proposed by LSGs**

The Consultant shall conduct a systematic screening of project ideas submitted and prioritized by the Local Self-Governments (LSGs). Using the selection criteria developed under this assignment, the Consultant will evaluate each proposed project with the objective of identifying viable investment opportunities.

This assessment will include an analysis of:

* Technical and financial feasibility;
* Alignment with national, regional, and local strategic priorities;
* Environmental and Social (E&S) risk rating;
* Overall investment potential.

In conducting this task, the Consultant shall also consider the findings of the Technical Assistance for Participatory Local Development Planning in Pilot LSGs, implemented under the LIID Project. Specifically, where relevant, the Consultant should draw on insights from reports prepared under Task 1 – Improvement of Spatial and Urban Planning Processes at the National and Local Level, Activity (iii), which identify key development challenges in pilot LSGs and can inform the selection and prioritization of suitable projects.

The outcome of this method will be a structured list of project ideas that meet the eligibility, prioritization, and readiness criteria for potential inclusion in the investment pipeline.

**Method 2: Use of Assessments from the Green, Livable, and Resilient Cities Program in Serbia**

In parallel, the Consultant shall utilize the assessments already prepared for 10 selected cities under the **Green, Livable, and Resilient Cities Program in Serbia: Strengthening Sustainable and Resilient Urban Development.** These assessments provide a valuable second source for identifying mature and strategically aligned project concepts.

The Consultant shall review and extract relevant project ideas and priorities identified through:

* Existing planning and project documentation, including local development plans, spatial and urban development plans, urban designs, and (pre)feasibility studies;
* Preliminary and main design documentation, including BoQs;
* Infrastructure and service provision gaps in priority sectors described above;
* Environmental challenges and climate-related vulnerabilities, including exposure to climate change impacts and areas contributing to GHG emissions;
* Opportunities for climate change mitigation and adaptation.

These reports contain detailed insights into infrastructure development needs and may serve as a complementary source of high-potential project ideas suitable for further development and integration into the investment pipeline.

The Consultant shall apply both methods in parallel, ensuring that the final list of potential investment projects reflects a comprehensive overview of viable and strategically aligned urban development opportunities across the pilot LSGs.

*Sub-Activity 2: Development of the Long List of Potential Pipeline Projects*

The Consultant shall rank the identified projects based on the findings from previous screening, ensuring a structured and objective approach to prioritization.

This process will lead to the compilation of a comprehensive long list of investment projects that meet the baseline criteria established during the previous phase.

* 1. *Sub-Activity 3:* *Prioritization and Development of the Short List of Investment Projects*

**Gap assessment:** Upon completing the Long List of Potential Pipeline Projects, the Consultant shall conduct an E&S screening with gap assessment of the identified projects to clearly define the required technical documentation and relevant studies necessary for preparing mature project documentation ready for implementation.

The gap assessment reports should include, but not limited to:

1. Status of land ownership
2. Environmental Impact Assessment (EIA) requirements in accordance with national laws and the Environmental and Social Framework (ESF) of the World Bank

Based on the assessment, the Consultant will provide recommendations for both the preparation and implementation phases.

Using the findings from the gap assessment reports, projects will be categorized into four groups based on their level of readiness for implementation:

1. Projects with complete technical documentation, ready for tender preparation or tendering.
2. Projects with ongoing technical documentation preparation, which will be ready for tendering upon completion.
3. Projects with completed spatial /urban planning documentation, with preconditions for land acquisition in place.
4. Projects with gaps in spatial /urban planning documentation, where preconditions for land acquisition are still pending.

Based on the findings of the gap analysis, the Consultant shall develop a ranked shortlist of high-priority projects that are ready for implementation, or with incomplete technical documentation but in compliance with planning documentation and with resolved ownership.

This shortlist should be validated through consultation with key stakeholders and decision-makers to ensure alignment with strategic priorities and feasibility for execution.

* 1. *Sub-Activity 4: Finalization and Approval of the Pipeline*

As a part of this Sub-Activity, the Consultant should conduct the following:

1. Prepare a final report with the long and short lists, detailing the rationale, methodology, and recommendations for financing.
2. Present the findings to key stakeholders, including LSG representatives, financial institutions, and funding agencies.
3. Obtain approvals and integrate the prioritized projects into the investment planning framework.

**Expected Results for Activity 2**

**Result 9:** Report on the identification and screening of potential projects.

**Result 10:** Screening and assessment report evaluating project feasibility, investment potential, and alignment with strategic priorities, incorporating insights from the Green, Liveable, and Resilient Cities Program.

**Result 11:** Comprehensive long list of potential pipeline projects ranked based on screening results and meeting baseline criteria established in previous phases.

**Result 12:** Gap assessment report detailing required technical documentation, land ownership status, and Environmental Impact Assessment (EIA) requirements for identified projects.

**Result 13:** Categorization report classifying projects into four groups based on their level of readiness for implementation.

**Result 14**: Ranked shortlist of high-priority projects ready for implementation, or with incomplete technical documentation but in compliance with planning documentation and with resolved ownership, validated through consultation with key stakeholders and decision-makers.

**Result 15:** Final report including the long and short lists, methodology, and financing recommendations, along with stakeholder presentations and integration into the investment planning framework.

### *Development of technical documentation for short listed investment projects*

**Task 2 -** Based on the final short list of investment projects (the result of the Task 1) and assessment of the existing technical documentation during the gap assessment, the Consultant shall undertake the following activities:

1. Develop the missing project and technical documentation to reach required level of readiness of the documentation for the implementation phase. The Consultant will clarify project logic and scope, review the existing documentation, produce early cost estimates and technical design issues, and identify financing requirements.
2. Prepare PFSs and/or FSs with CBA, ESIA in line with national legislation for infrastructure projects identified under the TA for identification and preparation of project pipeline in selected LSGs.
3. Consider all the specificities of the investment, the size of the investment, and the different mandates to issue permits depending on the type and size of the investment, all in line with the Law on Planning and Construction, EIA and World Bank ESF.

The type and scope of technical documentation to be prepared under this assignment will depend on the specific characteristics of each shortlisted investment project, its stage of maturity, and the applicable legal and permitting requirements. The Consultant shall ensure that all documentation is developed in accordance with the **Law on Planning and Construction of the Republic of Serbia** and other relevant legislation, World Bank ESF, with the goal of enabling the **implementation of each project** in full legal compliance.

Where applicable, and based on the type and status of the project, the following documentation may be required:

* **General Project**

Contains key information on the facility’s macro location, general layout, technical-technological concept, infrastructure provisions, possible spatial and technical alternatives, environmental and social impact analysis, natural conditions, and geotechnical characteristics. It serves to justify the construction of the facility and assess the rationality and functionality of the proposed solutions.

* **Conceptual Solution**

Developed for the purpose of obtaining **location conditions**, this document presents the planned facility concept. It includes only the essential data required to determine compliance with spatial planning documentation and land acquisition needs, without detailing technical solutions.

* **Preliminary Design**

Prepared for the construction and execution of works as defined under **Articles 133 and 145 of the Law on Planning and Construction**. This design is subject to expert review and is mandatory for certain types of facilities. It represents a detailed elaboration of the facility concept and is a prerequisite for subsequent permitting stages.

* **Environmental and Social Impact Assessment (ESIA) and Related ESF Instruments**

Developed in line with Serbian legislation and the requirements of international financial institutions (IFIs), including the World Bank Environmental and Social Framework (WB ESF) where applicable. This includes identification and assessment of all relevant environmental and social impacts (short-, medium-, and long-term), and preparation of required instruments such as the **Environmental and Social Management Plan (ESMP), Stakeholder Engagement Plan (SEP), Resettlement Action Plan (RAP),** and others, depending on project specifics.

* **Design for Construction Permit**

Elaborates on the Conceptual Solution based on which location conditions were issued. It must comply with regulations governing technical documentation content and is subject to formal **technical control**. For facilities subject to fire protection requirements, the main fire protection design and approval must be included.

* **Design for Works Execution**

A comprehensive set of mutually agreed documents that define the construction-technical, technological, and operational characteristics of the facility, including all equipment and installations. It also covers the investment value and maintenance requirements of the infrastructure asset.

Not all of the above documents will be required for every project. The **Consultant shall determine the applicable documentation for each case**, based on the type of investment, its stage of preparation, and the relevant legal requirements. The goal is to ensure that **each project is technically and administratively ready for implementation**, including permit application or financing approval processes.

**Expected Results for Task 2:**

**Result 16:** Report on the development of missing project and technical documentation to achieve the required level of readiness for the implementation phase, including project logic, scope, cost estimates, and financing requirements.

**Result 17**: Preparation of Pre-Feasibility Studies (PFS) and/or Feasibility Studies (FS) with Cost-Benefit Analysis (CBA) and Environmental and Social Impact Assessment (ESIA) in line with national legislation for identified infrastructure projects.

**Result 18:** Compliance report assessing the investment specifics, size, permitting requirements, and alignment with the Law on Planning and Construction, Environmental Impact Assessment (EIA), and World Bank Environmental and Social Framework (ESF).

**Result 19:** General Project documentation, providing macro-location data, technical-technological concept, infrastructure provisions, alternative spatial and technical solutions, environmental and social impact analysis, and geotechnical characteristics.

**Result 20:** Conceptual Solution report, presenting the planned facility concept required for obtaining location conditions, with necessary compliance data for land acquisition and planning document alignment.

**Result 21:** Preliminary Design documentation prepared in accordance with Article 145 and Article 133 of the Law on Planning and Construction, subject to expert review by the Review Committee.

**Result 22:** Design-specific Environmental and Social Assessment, including Environmental and Social Management Plan (ESMP), Stakeholder Engagement Plan, Resettlement Plan, and other relevant ESF instruments in compliance with Serbian EIA legislation and World Bank standards.

**Result 23:** Design for Construction Permit, elaborating on the investment concept based on the approved Conceptual Solution, subject to technical control, and including a fire protection report where required by law.

**Result 24:** Design for Works Execution, providing detailed mutually agreed projects that define construction-technical, technological, and operational characteristics, including investment valuation and facility maintenance conditions.

The Consultant shall: develop technical solutions for investments to be in compliant with the requirements and principles embedded in the relevant national and EU legislation, considering local conditions.The Consultant will confirm alignment by authorized licenses for the preparation of technical documentation.

The Consultant shall with the Client prior approval:

* Optimize the utilization of public funds, national and donor funds (including EU funds) through selection of the most appropriate and cost-effective solutions for the project based on developed CBA, maximizing its benefits for the society both in terms of technological options and system dimensioning;
  + propose a plan for preparation, procurement, and implementation of the project, considering the institutional, financial and other conditions, as well as specific national and international procedures that have to be observed.

The Consultant is expected to demonstrate a good level of understanding of the institutional, financial and technical complexity related to investment projects in relevant sectors. Preparation of selected projects' documentation must be in line with the Law on Planning and Construction of the RS and other relevant national/international legislation for investments and will speed up readiness for implementation of the investment in pilot LSGs.

# Deliverables and Reporting

## Deliverables

The Consultant shall submit a series of deliverables aligned with the activities under Task 1 and Task 2, structured to enable effective implementation monitoring and to support milestone-based payments.

The deliverables are as follows:

1. **Inception Report (Due: Day 30 from Contract Signature)**  
   This report will outline the Consultant’s detailed methodology, work plan, proposed formats for data collection, risk assessment, and scheduling of key activities. It will also summarize discussions held during the kick-off meeting with the Client and define the framework for contract implementation.
2. **LSG Appraisal Diagnostics Package (Due: Day 90)**  
   This package includes: (i) structured data collection tools (questionnaire and templates), (ii) a consolidated assessment report on current appraisal practices across the up to 15 Pilot LSGs, (iii) individual diagnostic reports for each LSG, and (iv) a preliminary gap analysis identifying strengths and weaknesses.
3. **Capacity Building and Methodology Package (Due: Day 150)**  
   This deliverable consists of: (i) workshop materials and summary reports from at least three capacity-building sessions with LSGs, (ii) a guidebook on improved appraisal methodologies, and (iii) a report on pilot implementation of new methodologies in 3 selected LSGs.
4. **Appraisal and Prioritization Final Report (Due: Day 240)**  
   This report consolidates findings from appraisal activities, defines selection criteria, and includes a feasibility screening and the long list of investment projects preliminarily eligible for support.
5. **Final Investment Pipeline Report (Due: Day 360)**  
   This deliverable includes: (i) gap assessments for long-listed projects, (ii) categorization by readiness level, (iii) a ranked shortlist of high-priority investment projects, and (iv) final recommendations on financing and implementation. It shall be validated in consultation with the Client and relevant stakeholders.
6. **Technical Documentation Packages – Task 2**For Task 2, the Consultant shall prepare and submit grouped deliverables based on the completion of technical documentation for batches of five (5) investment projects from the agreed shortlist. Each set will include all legally required documents (in Serbian) based on the type and scope of each investment.

The documentation for each project shall be submitted in a format compliant with Serbian regulations and permitting procedures. The deliverables shall be grouped as follows:

* + Set 1: Documentation for first 5 completed projects (Due: Day 540)
  + Set 2: Documentation for next 5 completed projects (Due: Day 660)
  + Set 3: Documentation for next 5 completed projects (Due: Day 780)
  + Additional Sets: If the final shortlist exceeds 15 projects, additional deliverables will be submitted for each subsequent group of 5 completed technical documentations.

The timeline for these sets will be agreed during implementation.

## Reporting

It should be noted that the delivery times in Table 1 - Overview of Deliverables and Timeline, refer to the draft versions of the respective reports, which should be submitted in accordance with the following language and format requirements:

* For Task 1 deliverables (including reports, analysis, and capacity-building materials): all draft and final versions shall be submitted in both English and Serbian, in both hard and soft copies. The soft copy shall be provided in editable Word format.
* For Task 2 deliverables (technical documentation): all documentation shall be submitted only in Serbian, in compliance with applicable national legislation, and in the formats required by relevant permitting and regulatory bodies.

A period of 2 to 3 weeks is estimated for the Client’s review of each deliverable and for the Consultant to finalize the respective versions accordingly.

All hard copy submissions of reports shall be provided in four (4) copies.

In addition to the deliverables related to the individual Tasks, the Consultant shall present an Inception Report as the first deliverable at the very start of the Contract.

The Inception stage of the Technical Assistance shall begin with the Consultant’s kick-off meeting with the Client.

The aim of the meeting is to define the overall contract implementation framework, confirm or amend any practical arrangements not covered in this ToR, review and adjust the delivery schedule if needed, and clarify any outstanding data, inputs, or output expectations. The outcome will be summarized in a short inception report.

The Consultant shall submit all hard copy deliverables in two signed sets, while soft copies shall include digital signatures where applicable. All data collected and produced must be delivered in standard, open, and preferably machine-readable formats to allow for easy use by the Client. Unless explicitly restricted by the Client, all outputs shall be considered public.

The Consultant shall also establish and maintain an appropriate project document management system, ensuring that all project-related documentation exists in editable electronic format (e.g., Word, Excel, PDF). All externally signed or scanned documents shall be archived digitally along with other project records. The Consultant shall regularly submit to the Client the collected and updated e-documentation.

Copyright on all deliverables, reports, and materials developed under this Contract shall remain with the Client.

***Table 1 – Overview of Deliverables and Timeline***

| **No.** | **Deliverable Title** | **Description** | **Task Reference** | **Due Date (Calendar Days from Contract Signature)** | **Language and Copies Requirement** |
| --- | --- | --- | --- | --- | --- |
| 1 | Inception Report | Kickoff summary, methodology, detailed workplan, templates/formats | Inception | Day 30 | English and Serbian; hard and soft copies |
| 2 | LSG Appraisal Diagnostics Package | Structured tools, overall assessment report, up to 15 individual LSG reports, gap analysis | Task 1 – Activity 1 | Day 90 | English and Serbian; hard and soft copies |
| 3 | Capacity Building and Methodology Package | Summary of workshops, guidebook on methodologies, pilot implementation report | Task 1 – Activity 1 | Day 150 | English and Serbian; hard and soft copies |
| 4 | Appraisal and Prioritization Final Report | Consolidated appraisal findings, project screening and criteria, feasibility screening, long list of investments | Task 1 – Activity 2 | Day 240 | English and Serbian; hard and soft copies |
| 5 | Final Investment Pipeline Report | Gap assessment, readiness categorization, validated shortlist, final recommendations and financing options | Task 1 – Activity 2 | Day 360 | English and Serbian; hard and soft copies |
| 6 | **Technical Documentation Package – Set 1** | Technical documentation completed for **first 5 shortlisted projects**. Includes design packages as per project type and legal requirements.  **Note:** Scope and content will vary depending on project characteristics. | Task 2 | Day 540 | English and Serbian; soft copies |
| 7 | **Technical Documentation Package – Set 2** | Technical documentation completed for **next 5 projects** | Task 2 | Day 660 | English and Serbian; soft copies |
| 8 | **Technical Documentation Package – Set 3** | Technical documentation completed for **next 5 projects** | Task 2 | Day 780 | English and Serbian; soft copies |
| 9 | **Additional Technical Documentation Packages** *(if needed)* | For each additional batch of 5 completed project documentations, a new grouped deliverable will be submitted. The exact number of sets will depend on the final number of shortlisted projects. | Task 2 | To be defined as per implementation progress | English and Serbian; soft copies |

## Logistical and Operational Requirements

Considering the mandatory field activities, the scope of the Services and the fact that the territory of the whole of Serbia is the location for performing the Services, the Consultant shall provide appropriate travel arrangements and accommodation for his staff.

The Consultant shall provide all equipment and services needed to perform the responsibilities and duties efficiently. The Consultant shall bear all the expenses for equipment and services and all costs related to the engagement and operation of the Consultant’s staff.

All costs for training organization, preparation and undertaking, including costs of materials, venues, refreshments, translators if needed, etc. shall be covered by the Consultant.

The Consultant shall provide adequate office space for the Team in Belgrade, including the meeting room, properly equipped with office equipment and communication lines to ensure smooth communication with the Client and LSGs on the field (telephone, fax and internet) at any moment of the Service performance.

As mentioned above, the Assignment will require field trips, stakeholder engagement, organizing launch event and capacity building sessions. The Consultant shall require to specifically develop methodology to ensure integration of Environmental and Social aspects at each stage of the selection and finalisation of Investments. The Consultant is expected to clearly set out the approach to travel, peer learning and stakeholder engagement, including utilizing virtual tools.

A guidebook on improved appraisal methodologies should be prepared to provide guidance for LSGs, supporting them in the prioritization of future development projects. The LSGs should be able to carry out E&S screening for each of the proposed investments. The consultant should train the LSGs on E&S screening.

The criteria for preparation of long list and prioritization of the investments should be, among other criteria, guided by E&S Risk rating. (Preferably Low and Medium risk activities) This is to align with the overall Risk rating of the LIID project that is “Medium”.

ESF instruments must be prepared along with the Feasibility (ESIA) and detailed Design reports (ESMP, SEP, RAP, LMP etc..). The documentation for the tender announcement for the procurement of civil works should include the Environmental and Social Management Plan (ESMP).

Thus, the Consultant should be expected to organize stakeholder consultations for each of the stages and develop/deliver a capacity building plan for LSGs that covers E&S aspects.

## Client Inputs

To support the effective implementation of the Assignment, the Client will provide the following inputs and facilitation measures:

* **Provision of background documentation** relevant to the Assignment, including strategic and planning materials developed under the LIID Project and the Green, Livable, and Resilient Cities Program;
* **Delivery of the official list of up to 15 selected Pilot LSGs** at the start of the Inception Phase, along with any available local development, spatial, and urban planning documents;
* **Support in stakeholder coordination**, including facilitation of communication and cooperation with local self-governments, public utility companies, and other relevant institutions;
* **Assistance in accessing existing studies and data**, such as pre-feasibility studies, urban designs, and environmental and social assessments, where available;
* **Timely review and feedback** on all submitted deliverables, in accordance with the reporting schedule, to allow the Consultant to finalize outputs;
* **Validation of key outputs**, including the shortlist of investment projects, ensuring alignment with national priorities and compliance with the project’s strategic framework.

# Company Profile and Expertise Required

### Requirements for the consultant`s staff

The Consultant shall provide adequate licenses (as required by applicable regulations), staff in terms of expertise and time allocation, as well as the equipment needed to complete the activities required under the scope of work and to finally achieve the objectives of the project in terms of time, costs and quality. The numbers and person-months for all staff shall be included in the technical proposal and the costs in respect of these personnel are to be included in the financial proposal. The Consultant is encouraged to use local expertise, as appropriate.

The Consultant will be responsible for securing the working space and equipment for their own staff. Also, all costs of using necessary software, tools, licenses, etc. are to be bare by the Consultant.

A Team Leader and four additional (4) Key experts from which one will be Deputy Team Leader (5 in total) are foreseen to carry out the assignment throughout the life of the Contract. The minimum required qualification and experience of these key experts is presented below.

It should be noted that the experts will not be evaluated during the shortlisting stage.

**KEY EXPERT 1: TEAM LEADER / INVESTMENT EXPERT**

**Mandatory:**

* Minimum Academic degree in **economy, engineering, environmental sciences**, or another relevant field.
* At least **10 years** of experience in **multi-year, multi-component projects** and **multi-disciplinary project teams**.
* Proven **Team Leader experience** managing teams of technical experts and support staff through intervention planning, programming, preparation of technical documentation, and implementation.
* Proven experience in managing and monitoring project progress and budget expenditures.
* Fluent in English as a working language.

**Advantageous:**

* Professional experience related to **municipal infrastructure and regional infrastructure**.
* Experience in **managing major municipal investments**.
* Knowledge of and fluency in Serbian.

**KEY EXPERT 2: DEPUTY TEAM LEADER / ECONOMIC AND FINANCIAL EXPERT**

**Mandatory:**

* Minimum academic degree in **economy, business administration** or another relevant field.
* At least **7 years** of experience working in a **multi-disciplinary environment**, managing development investments in similar projects, preferably in **Serbia or the Western Balkans**.
* Experience in developing at least **three feasibility studies** with cost-benefit analysis for infrastructure investment projects in the last **10 years**.
* Fluent in English as a working language.

**Advantageous:**

* Experience in implementing **development programs and financial performance improvements**.
* Experience working on **technical assistance/consulting services** at **local or regional levels**.
* Experience in **developing financial management procedures** and delivering related training.
* Knowledge of and fluency in **Serbian**.

**KEY EXPERT 3,4,5: SENIOR INFRASTRUCTURE / CIVIL ENGINEER**

**Mandatory:**

* **Licensed engineer with master degree in civil engineer.**
* At least **7 years** of experience in **design, preparation, and implementation** of infrastructure projects.
* Fluent in English as a working language.

**Advantageous:**

* Proven experience in projects implemented in accordance with EU, FIDIC, and national technical regulations and standards.
* Expertise in technical assessment, feasibility studies, and project preparation for large-scale and mid-scale infrastructure investments.
* Experience in technical supervision and quality control of infrastructure projects.
* Experience in public sector procurement procedures for infrastructure project.
* Knowledge of and fluency in Serbian.

**KEY EXPERT 6: ENVIRONMENTAL AND SOCIAL SPECIALIST**

**Mandatory:**

* Minimum academic degree in environmental sciences, social sciences, engineering, or another relevant field.
* At least 7 years of professional experience in environmental and/or social risk management, with demonstrated experience in applying international standards (e.g. World Bank ESF, EBRD PRs, IFC PS) to infrastructure or urban development projects.
* Proven experience in conducting environmental and social gap analyses and preparing related instruments such as ESMPs, ESIAs, SEPs, RAPs, and LMPs.
* Demonstrated experience in delivering capacity-building activities and training on environmental and social safeguards, preferably for local governments or public sector stakeholders.
* Fluent in English as a working language.

**Advantageous:**

* Experience working with or within Serbian institutions or LSGs on environmental and/or social compliance.
* Familiarity with the Serbian regulatory framework on EIA and social impact management.
* Knowledge of and fluency in Serbian.

In addition to the key expert profiles, the Consultant shall propose the structure and composition of additional non-key staff required to successfully carry out the assignment. The proposed non-key experts should provide complementary expertise in relevant areas essential for effective project implementation. These may include, but are not limited to, the following profiles:

* Experts/Engineers for specific technical aspects;
* Legal Specialist;
* Economist;
* Environmental Specialist;
* Social Specialist;
* Institutional Specialist;
* Project Management Specialist;
* Visibility and Communication Specialist;
* Public Administration / Public Utility Companies Reform Specialist;
* Business Planning and Management Specialist;
* Financial and Budgeting Specialist;
* Public and Customer Relations Specialist;
* Procurement Specialist.

The Consultant is encouraged to tailor the proposed team structure based on the specific needs of the assignment and to justify the inclusion of each non-key expert accordingly.

**ANNEX 1 -** **DETAILED DEFINITIONS OF ELIGIBLE SECTORS, FIELDS, AND PROJECT TYPES (INCLUDING LEGAL BASIS AND ESF INTEGRATION REQUIREMENTS)**

**Definition of Eligible Sectors, Fields, and Potential Project Types**

To guide the preparation of list of the investment project and development of the technical documentation under this assignment, the following sectors, fields, and project types are eligible for the list of investment projects. Definitions are aligned with applicable legal frameworks in the Republic of Serbia.

**I. ELIGIBLE SECTORS AND FIELDS**

***1. URBAN INFRASTRUCTURE AND PUBLIC SPACES (SECTOR UP)***

**Legal basis:** Law on Planning and Construction (*Official Gazette RS*, no. 72/2009…62/2023); Law on Communal Services (*Official Gazette RS*, no. 88/2011…104/2016)

**Field 1.1: Urban Infrastructure**

**Definition:** Urban infrastructure refers to the publicly accessible, planned physical systems and facilities within urban environments that enable the functioning, accessibility, and quality of life in cities and municipalities. In accordance with Article 2 of the Law on Planning and Construction, infrastructure includes: ***“Technical systems and installations intended for supply, discharge, transmission, connection, disposal, and other societal and economic needs — such as roads, railways, water supply, sewerage, energy and telecommunications networks.”***

In the context of this assignment, urban infrastructure encompasses:

* **Internal municipal road networks and pedestrian corridors**
* **Street lighting and urban furniture**
* **Utility installations in public space (e.g., water, sewage, stormwater drainage, power supply)**
* **Urban greening systems integrated with infrastructure**
* **Infrastructure elements enhancing accessibility (e.g., ramps, tactile paving)**
* **Smart infrastructure components that support digital transition and environmental management**

All interventions must be consistent with approved urban and spatial planning documentation.

**Field 1.2: Public Space Regeneration**

**Definition:** Public space regeneration refers to the rehabilitation, adaptation, or redesign of public areas intended for general use by citizens, to improve functionality, accessibility, environmental quality, and social cohesion. As defined by Article 2 of the Law on Planning and Construction: ***“Public areas are spaces designated by urban planning documents for general use, such as streets, squares, pedestrian zones, parks, and other open spaces.”***

**This field includes physical and functional transformation of existing public spaces to better serve current and future urban needs, often incorporating nature-based solutions and climate resilience principles.**

**Key aspects of regeneration may include:**

* **Functional redesign to promote active mobility and inclusive access**
* **Restoration of historical and cultural identity in public areas**
* **Integration of environmental features (e.g., vegetation, shading, permeable surfaces)**
* **Upgrading public equipment and amenities to modern standards**

**Potential Projects under Sector UP:**

1. Reconstruction and functional redesign of central town squares and pedestrian zones;
2. Creation, revitalization, or ecological upgrading of urban parks and green corridors;
3. Improvement of physical accessibility in public spaces (universal design);
4. Installation of energy-efficient street lighting, urban furniture, and digital infrastructure;
5. Development of bike lanes, walking paths, and multi-modal urban connectors;
6. Implementation of nature-based solutions (e.g., rain gardens, permeable pavements) to support climate adaptation;

***2. SOLID WASTE MANAGEMENT (SECTOR SW)***

**Legal basis:** **Law on Waste Management**, *Official Gazette RS*, no. 36/2009…95/2018; **Law on Planning and Construction**, *Official Gazette RS*, no. 72/2009…62/2023; Law on Communal Services (*Official Gazette RS*, no. 88/2011…104/2016)

**Field 2.1: Solid Waste Management**

**Definition:** Solid Waste Management refers to the organized system of activities related to the collection, transport, treatment, reuse, recycling, and final disposal of municipal, industrial, construction, and special types of waste, in accordance with the **Law on Waste Management**.

As defined in **Article 3** of the Law on Waste Management: *“Waste” means any substance or object which the holder discards, intends to discard, or is required to discard.*

**Article 13** further defines waste collection as: *“The collection of waste includes gathering, transport, and temporary storage of waste until its transfer to a treatment or disposal facility.”*

**Article 20** further defines the obligations of local self-government units in the waste management sector.

**Article 23** defines **transfer stations** as: *“Facilities intended for the temporary acceptance of waste and its further transport to appropriate treatment or disposal facilities.”*

**Article 24** regulates **sanitary landfills**, which must meet defined environmental, technical, and health protection standards.

**Sub-field 2.1.1.: Construction and Demolition Waste (CDW)**

**Definition:** Construction and demolition waste refers to waste generated from construction, reconstruction, adaptation, maintenance, and demolition of buildings and infrastructure.

As defined in **Article 129 of the Law on Planning and Construction**, the investor or contractor is **responsible for proper handling of construction and demolition waste**, including sorting, reuse, transport, and disposal in accordance with regulations.

*“During construction, the investor is obliged to provide for the removal and disposal of construction waste and other materials in accordance with the law regulating waste management.”*

Construction waste also includes recyclable fractions such as concrete, bricks, tiles, and metal, and may be processed and reused where technically feasible.

**Potential Projects under Sector SW:**

1. Development or upgrade of primary and secondary municipal waste collection systems  
   Including procurement and installation of underground, semi-underground, or container-based bins to support separated collection at source.
2. Construction or modernization of municipal and inter-municipal waste transfer stations  
   Facilities enabling the temporary storage and logistics optimization of waste for further treatment or final disposal.
3. Development of green waste and biodegradable waste treatment infrastructure  
   Such as composting plants or anaerobic digestion systems at municipal or regional scale.
4. Design and deployment of digital systems for CDW tracking and reporting  
   To support regulatory compliance, planning, and monitoring of CDW generation, reuse, and disposal.
5. Development of infrastructure for reuse of recycled CDW materials in public construction  
   Including preparation facilities for secondary raw materials (e.g., concrete aggregate, road substructure materials).

***3. STORMWATER AND WASTEWATER MANAGEMENT (SECTOR SWW)***

**Legal basis:** Law on Communal Services, *Official Gazette RS*, no. 88/2011…104/2016; Law on Water, *Official Gazette RS*, no. 30/2010…129/2021; Law on Planning and Construction, *Official Gazette RS*, no. 72/2009…62/2023

**Field 3.1.: Stormwater and Wastewater Management**

**Definition:** Stormwater and Wastewater Management includes the planning, construction, maintenance, and upgrading of communal infrastructure systems for the collection, drainage, treatment, and disposal of wastewater and stormwater in urban environments. These systems play a key role in public health protection, environmental quality, and climate adaptation.

According to: Article 3 of the Law on Communal Services:  
*“Communal services include the construction, maintenance and management of wastewater collection and treatment systems.”*

Article 5 of the same law:  
*“Stormwater services include the construction and maintenance of systems for the collection and discharge of atmospheric (rain) water.”*

Article 22 of the Law on Water defines flood protection as:  
*“The planning, construction, and maintenance of facilities and the implementation of measures to prevent or mitigate the harmful effects of water.”*

**This field includes:**

* **Sewerage systems ( communal wastewater collection and conveyance);**
* **Stormwater drainage and retention;**
* **Urban flood protection infrastructure;**
* **Nature-based and green-blue infrastructure solutions.**

All projects must comply with approved spatial and urban plans, hydrological standards, and environmental regulations.

**Potential Projects under Sector SWW:**

**The following project types are eligible under this assignment:**

1. Rehabilitation or construction of urban stormwater drainage systems - Including closed and open drainage networks, collectors, culverts, and stormwater outlets.
2. Establishment of stormwater retention and infiltration systems - Such as detention basins, infiltration trenches, and underground reservoirs to reduce runoff and prevent urban flooding.
3. Separation or upgrade of combined sewer systems - To reduce pollution discharge into receiving waters and comply with national and EU environmental standards.
4. Construction or rehabilitation of municipal sewage networks - Including main collectors, secondary networks, and pumping stations.
5. Construction of localized flood protection infrastructure - Such as levees, embankments, protective walls, and storm barriers for high-risk urban areas.
6. Implementation of green-blue infrastructure for stormwater management - Including bioswales, green roofs, rain gardens, and permeable pavements to manage runoff and improve microclimate.
7. Digital monitoring and early warning systems for flood events - Including smart sensors, and real-time monitoring tools integrated into municipal systems.
8. Construction of nature-based water management features in public spaces - Integrated green spaces with dual functions (recreation + water retention or flood buffering).
9. Rehabilitation of outdated urban drainage channels and ditches - Including restoration of their capacity and ecological function (e.g., urban stream daylighting, channel re-profiling).
10. Design and implementation of systems for rainwater reuse - Including harvesting and storage systems for irrigation, firefighting, or technical water supply in municipal facilities.

**Mandatory Cross-Sector Requirement: Climate Mitigation and Adaptation, and ESF Considerations**

All projects, regardless of sector, must integrate climate mitigation and adaptation measures in line with the following legal and policy frameworks:

**Legal basis:**

* Law on Climate Change (*Official Gazette RS*, no. 26/2021);
* Law on Energy Efficiency and Rational Use of Energy;
* Law on Planning and Construction (Articles 10a, 130, 145);
* Law on Communal Services (Official Gazette RS, no. 88/2011…104/2016)World Bank Environmental and Social Framework (ESF);
* World Bank Environmental and Social Framework (ESF);

**Key Requirements:**

* **Climate Mitigation** (Article 4, Climate Law):  
  Projects must contribute to GHG emission reduction and energy efficiency.
* **Climate Adaptation** (Article 5, Climate Law):  
  Projects must improve infrastructure resilience to climate impacts (floods, droughts, heat).
* **Nature-Based Solutions** (Article 10a LPiG):  
  Green infrastructure must be prioritized where feasible.
* **Environmental and Social Instruments:**  
  Each project must include, as needed: E&S screening, ESIA, ESMP, SEP, RAP, LMP.

Where applicable, these requirements are mandatory and must be reflected in all design stages and technical documentation packages.

**II. INDICATIVE SECTOR DISTRIBUTION FOR COST ESTIMATION**

In order to support realistic cost estimation and resource planning, the following indicative distribution of sectors is provided. These percentages reflect expected relative effort in preparing technical documentation under this assignment.

| **#** | **Sector** | **Estimated Share (% of workload)** | **Description** |
| --- | --- | --- | --- |
| **1** | **Urban Infrastructure and Public Spaces** | **45%** | High demand for urban regeneration and green projects; generally lower technical complexity. |
| **2** | **Solid Waste Management** | **15%** | Reflects national and donor priority for improving waste infrastructure. |
| **3** | **Stormwater and Wastewater Management** | **40%** | Technically demanding but critical for resilience and urban adaptation. |
| \* | **Cross-cutting: Climate Mitigation and Adaptation** | **Mandatory** | To be integrated into all projects and sectors; not separately costed, but increases design and ESF workload. |

These percentages are **indicative only** and do not imply fixed sectoral allocations or funding limits. Final project selection will depend on the outcomes of screening, prioritization, and gap assessment in coordination with the Client and LSGs.

The activities listed above are only indicative and represent potential options. The final list of eligible activities will be determined after a thorough Environmental and Social (E&S) screening is conducted in accordance with the Environmental and Social Framework (ESF) requirements, to assess potential direct risks and impacts, including downstream effects, that must be taken into consideration.

In terms of exclusions from an ESF perspective and in line with the objectives of only support medium to low risk projects, the TA excludes he financing of activities that:

* May cause long-term, permanent, or irreversible adverse impacts, particularly affecting sensitive or critical natural habitats;
* Has a high probability of causing serious adverse effects on human health and/or the environment;
* May generate significant adverse social impacts, including risks of social conflict or loss of livelihoods;
* Requires permanent or temporary physical and economic displacement from the land acquisition or restrictions on land use undertaken or imposed in connection with project implementation including people occupying or utilizing the land prior to the project without formal, traditional or recognizable usage rights.
* Involves forced labor, harmful child labor, or any labor practices inconsistent with ESS2;
* Adversely affects cultural heritage sites, unless retrofitting or conservation measures are carried out within legally permitted frameworks.
* any activity that may require full EIA as per Serbia Legislation should be excluded.

**Exceptions to the defined fields and investment value may be allowed in duly justified cases, where the proposed project demonstrates significant strategic relevance. Any such exceptions shall be subject to prior approval by the Client.**

1. For a comprehensive list and detailed information on the administrative divisions, you can refer to the following resources:​

   Statistical Office of the Republic of Serbia: Provides official statistics and publications on municipalities and regions.​

   Ministry of Public Administration and Local Self-Government: Offers insights into the structure and functioning of local self-governments in Serbia.​ [↑](#footnote-ref-1)