The Macedonia Real Estate Cadastre and Registration Project (RECRP) seeks to develop an efficient and effective real estate cadastre and registration system, thereby contributing to tenure security and the development of efficient real property markets. The project’s objectives involve the strengthening and reform of Macedonian land administration services, to be implemented primarily in urban and peri-urban areas. The project’s principal activities include: systematic field surveying, titling, registration; preparation of land-related policies and regulations; development of technological platforms for land administration; institutional strengthening. It is expected the project will complete the real estate cadastre throughout the country, and registration of all properties in urban and peri-urban areas by 2010.

The following annex provides information as to the Safeguards Policies triggered by the project, the measures to be taken to address the risks, and procedure for ensuring those measures are achieved during project implementation. As indicated below, the project has been designed to promote sound environmental management and mitigate potentially negative effects arising from project activities.

Environmental Assessment (OP 4.01)

The project is classified as Category B, requiring some type of Environmental Analysis, but not a full-scale Environmental Assessment. An environmental analysis was carried out as part of the project preparation activities to identify potential direct and indirect environmental impacts associated with the project, and develop measures to mitigate negative impacts. The Analysis found that potential adverse environmental impacts of the project are likely to range from minor to negligible.

Other than construction and renovation of office space, the project will not support civil works, land conversion, resource extraction, or any activities that could potentially damage the environment. Contracts for civil works under the project will be subject to screening for environmental impacts by the responsible environmental entity. All bidding documents and contracts will include measures to minimize or mitigate environmental damage. Standard operating procedures will include measures applying to construction in general, such as measures to control dust, noise, and traffic at construction sites, and guidelines for controlling erosion and clean-up after construction. The project will not support land acquisition or associated involuntary resettlement.

On balance, the proposed project is expected to be positive from an environmental standpoint. Land titling, cadastre, and registry activities would induce a series of behavioral changes among property owners; many of these would be environmentally positive, although some could be
negative. Nonetheless any adverse impacts would be more than adequately compensated by the environmental benefits generated by the project.

**Positive environmental Impacts:**

The project is expected to contribute to the management of natural resources and the conservation of natural habitats through demarcation of forests (both public and private) and protected areas. Reaching a clear understanding of how various tracts of land will be managed in the future is a precondition for effective land use planning and management of natural resources. This activity is particularly essential for effective implementation of the country’s new Law on Nature Protection.

Establishing clear property rights to land and natural resources creates incentives for owners to manage the resources for their long-term benefit. This encourages investments in soil conservation, watershed protection, reforestation, and sustainable use. By formalizing rights to residential plots, the project encourages investment in activities and infrastructure that improve environmental conditions where people live and work, such as solid waste management, sanitation facilities, and landscaping.

**Potential Adverse Environmental Impacts**

Some of the project-induced behavioral changes from more secure land titles and more dynamic land markets (new investments in industries, agriculture, urban housing and offices) could be negative from an environmental standpoint if development does not follow environmentally sound land use plans. Without proper management, new investment in industry and other facilities can harm the environment. To minimize or mitigate the potential impacts will require proper land use planning practices and effective enforcement of the environmental laws and regulations, including that on environmental impact assessment. It will also require the strengthening of capacity of the Ministry of Environment and Physical Works (MEPP) and the local government agencies to monitor compliance.

However, new investment due to registration of rights will occur outside the scope of the project and no specific measures have been designed to deal with its potential impacts under project financing. Macedonia has a moderately developed system for managing environmental issues (including environmental impact assessment) as part of its EU accession efforts, at the central and local level. Many bilateral donors (Switzerland, Germany, Italy) are working with the government to strengthen its capacity for environmental and natural resources management. Through such assistance, a new Law on Nature Protection has been designed, which was approved in October 2004. The new Law promotes environmental protection and sustainable use of natural resources, through the creation of a network of protected areas, spatial planning, development of management plans and monitoring systems, and education programs. It provides for the creation of public agencies at the central and local level, and establishes responsibilities for the protection and conservation of a range of environmentally sensitive areas. [see also law on env.]
Environmental Management Plan

The Environmental Management Plan (EMP) comprises the activities which promote environmental enhancement and mitigation under the project. These EMP activities are mainstreamed within the components of the project, rather than being supported by a stand-alone component. The EMP is summarized in the following section.

Delineation of forest lands and protected areas. Although the project will primarily focus on urban and peri-urban areas, whenever the case occurs, under its component 1, it will support the surveying and delineation of forest lands (both public and private) and protected areas in areas where cadastral surveys are being done. The process will involve full participation of all stakeholders, including relevant government agencies, central and local government bodies, and families settled in the area.

Sequencing of systematic titling activities. The project will not register ownership rights in areas designated as forest areas, protected areas, and other important environmentally sensitive areas unless management plans are discussed and agreed between the owners and the agency responsible for enforcing management plans. The timing of registration of ownership rights must be carefully coordinated with the issuance of management plans of protected areas and forest lands as unconditionally registering rights within these areas before the needed land management agreement could encourage unsustainable use of these areas.

Environmental input into land policy formulation. Whenever appropriate, the land policies being developed under the project, in particular on land use and development, will include input from the Ministries of Environment and the Ministry of Agriculture and Forestry, and from NGOs concerned with the environment. The ministries managing natural resources (in particular the Ministry of Environment and the Ministry of Agriculture and Forestry) will be members of the national steering committee responsible for formulating land policies.

Ensuring that construction of buildings comply with World Bank social and environmental safeguards. The project will support rehabilitation or construction of a around 15 office buildings at the local and central level. The buildings will be constructed on land that is already occupied or owned by local government offices. No people will be involuntary resettled under project-supported activities. Environmental guidelines for constructors will be included in all contracts, to control waste, erosion, dust and noise, provide appropriate sanitation facilities for workers and protect workers safety. The Project Management Unit engineers will be provided with environmental training to adequately supervise construction and ensuring that the construction is in compliance with the agreed environmental measures to minimize and mitigate negative environmental impacts.

Environmental Representation in Project Activities. The Ministry of Environment and the Ministry of Agriculture and Forestry will be members of the steering committee responsible for formulating land policies and regulations. Environmental NGOs with an interest in conservation
and other land use issues (in particular sustainable forest management) will be invited to participate in workshops for advising on land policies and project implementation, and other events. Conservation NGOs are also expected to be important partners in the project’s activities to delineate forest areas and protected areas, as well as in the public information campaign to promote the project.

*Environmental Monitoring and Evaluation.* The planned socio-economic and environmental impact study, will include social, economic and environmental indicators. The base line survey is expected to be done in year 1 of the project and the second survey is expected around year 4 of the project. Environmental indicators will measure the impact of the project on land use practices in urban and rural areas, urban development, soil erosion, agriculture input, and water quality.

**Natural Habitats (OP 4.04)**
The project will support the demarcation of important natural habitats, including forests and protected areas. The project will not register rights in areas designated as protected areas by the Government of Macedonia or in areas of potential environmental significance, including forests, areas along riverbanks, conservation areas, and the like.

**Cultural Property (OPN 11.03)**
Macedonia has sites of great cultural significance, some of which are not properly identified. In particular, Macedonia has important historic settlements and town centers, especially in the city of Skopje and Ohrid. The project will support the conservation of Macedonia’s cultural patrimony. Specifically, so as to ensure that project activities do not result in unintentional registration of rights of areas of high cultural value, titling and registration of those areas would only be allowed following an official notification/authorization from the Ministry of Culture and the Agency for the Protection of Cultural Property.