

REPUBLIC OF SERBIA

SOLICITATION OF EXPRESSIONS OF INTEREST

for

Environmental and Techno-Economic Consulting Services for PEU Resavica

The Government of Serbia has received a Grant from European Agency for Reconstruction (hereinafter: the EAR), to be administered by the World Bank (hereinafter: the WB), and intends to apply a portion of the proceeds of this Grant to finance the cost of the **Environmental and Techno-Economic Consulting Services for PEU Resavica**. The Privatization Agency (hereinafter: the PA), has allocated a part of the Grant to fund the engagement of local consulting firm who will assist the Privatization Agency to carry out the subject assignment.

Background Information

Resavica Mines Group is a coal-mining enterprise that includes nine mines located in eight different municipalities across southern and central Serbia. In terms of the environmental risks and hazards posed by the mines, no immediate threats to environmental goods or human health, safety and livelihoods were identified. Still, remediation actions to mitigate a range of negative impacts of environmental legacies are seen as necessary in virtually all mines in the Resavica package. Key reasons for environmental mitigation actions would be (i) the fostering of a climate of improved investor confidence in the run-up to privatization, (ii) guiding steps towards compliance with Serbian and EU environmental legislation relating to mining emissions, mine waste and mine closure, and (iii) improving the quality of the lives of the population directly affected by mine operations and environmental legacies and creating a signal and stimulus for regional development in the face of poor economic structure and declining employment in the mining sector.

Based on the Environmental Impact Assessment (EIA)/ feasibility study (FS) findings, strategies for emergency clean-up of immediate environmental hazards and for the remediation of environmentally damaged areas will be developed and implemented; and targeted financial assistance in the form of “catalytic” investments to implement physical remediation and risk intervention works at prioritized sites will be designed and funded.

This assignment is intended to be executed by a local firm, which will receive support and advisory services from an individual Consultant hired under a separate contract. The specific objectives of this environmental consultancy are to:

- (1) identify, prioritize and cost-estimate key environmental liabilities and develop a feasibility study and an action plan for their delineation as “remediation package” to be processed separately from the “privatization package”;
- (2) conduct an assessment of the institutional and regulatory framework and an action plan for training and strengthening institutional capacity, which would be required to establish both qualified oversight and improved practices;
- (3) conduct an environmental screening of five mines which might be closed to identify key environmental issues associated with the closure process, and elaborate a TOR for detailed environmental impact assessment (EIA) and environment Management Plan (EMP) to be executed *if* the Government of Serbia or the private investor takes a decision to close these mines.

The scope of the Consultancy consists of the following issues:

- (i) identify, prioritize and quantify legacy of past environmental hazards and liabilities;
- (ii) audit corporate environmental policies and practices of ongoing mining operations;

- (iii) review the legal and regulatory framework in Serbia and the wider region (EU legislation), its enforcement and effectiveness
- (iv) review the skills, experience, capacities and enforcement effectiveness of local regulatory authorities involved in permitting and compliance control of environmental due diligence and in the mining sector and
- (v) develop a comprehensive plan for institutional training and strengthening for the mining sector, including authorities on regional and local level and from sectors relevant for environmental performance of mining operations, such as inspectorates for mining, environment, workplace health and safety, water/groundwater etc.
- (vi) The consulting firm will, in close cooperation with Resavica Mines and local Serbian Consultants develop and environmental impact assessment (EIA) and a feasibility study (FS), which will lead up to:
 - strategies and designs for urgent clean-up of key environmental impacts and the remediation of environmentally damaged and degraded areas; and
 - targeted pilot projects to absorb financial assistance in form of “catalytic” investments to implement physical remediation and risk intervention works at prioritized sites.
- (vii) If a decision is taken to close mines, elaborate an environmental screening study identifying all relevant environmental issues to be dealt with in preparation of, during the closure process and after closure for care and maintenance;
- (viii) under the same pretext of closure, elaborate TOR for a detailed EIA and EMP addressing the issues identified during the screening study and fulfilling environmental due diligence requirements of the closure process under Serbian legislation / international good practice.
- (ix) Resavica mines management has recently entered into a contract with the faculty of mining and geology from the University in Belgrade for environmental consultancy services for improving the mines’ environmental performance, developing remediation concepts and elaborating a policy framework for a general greening of the economy and the generation of ecological activities and projects in the areas presently affected by mining (project leader: Prof. Dr. Jordan Aleksic, senior expert: Dr. George Lajsic). The project should seek close cooperation with this consultancy and ensure the endorsement by Resavica management that information is freely and actively exchanged between consultants and the interface between the projects is actively managed.

Qualifications

The Consulting firm should have expertise in the relevant field, mining sector projects and privatization/ restructuring schemes and should have a proven track record in this type of assignment and the relevant sector of extensive knowledge in similar projects in the region within the last 5 years (in case of a “joint venture”, such evidence is required for all members of the “joint venture”, while in case of a sub consultancy, it is required only for the leading firm). A reference of the relevant projects should be attached to the Expression of Interest and to include a description of the activities, the client, the size and the role of the consulting firm and the extent of the firm’s contribution in financial terms and staff months. Also, those references shall clearly line out the specific experience of the firm / joint venture in assessing environmental conditions and planning remediation measures (local and international projects).

The consulting firm will include within the Expression of Interest the CV’s of nominated and guaranteed staff. The CVs shall clearly line out the most relevant and recent projects, which the eligible consulting firm considers to be most relevant and which best document the teams experience. Proposed key staff will have to include a senior environmental specialist, a senior

social specialist, and a senior mining specialist; all will be required to have more than 15 years of proven relevant experience in environmental and social assessments for extractive industries projects, including underground and open pit mines. The consulting firm may nominate additional specialists if deemed conducive to the execution of the study.

A consulting firm will be selected in accordance with procedures set out in the World Bank's **Guidelines: Selection and Employment of Consultants by World Bank Borrowers, May 2004**. The method used to select the consulting firm will be **Selection Based on the Consultant's Qualifications (CQS)**, in accordance with Clause 3.7. of the above mentioned Guidelines.

The best evaluated firm/joint venture will be invited to submit combined technical and financial proposal.

Interested and eligible firms/ joint venture who wish to participate should mail or e-mail their EOIs by **May 20th, 2008 (Tuesday), and not later than 03:00 p.m. (local time)**.

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