

Luxembourg, 6th December 2024

Environmental and Social Data Sheet

Overview

Project Name:	AIR TRAFFIC CONTROL UPGRADE II
Project Number:	2023-0860
Country:	Serbia and Montenegro
Project Description:	The project consists of the upgrade of Serbia and Montenegro Air Traffic Services Smatsa LLC (SMATSA) current air navigation control software to a state-of-the-art air traffic control system. The project comprises the software and hardware upgrade of the TopSky system, including the network equipment for interconnecting all the components on SMATSA's main air traffic control center in Belgrade, as well as other company locations in Podgorica, Tivat, Batajnica, Kraljevo and Nis. Related services included in the project comprise: system design, software development, factory acceptance testing, installation, integration, training, site acceptance testing and support for operational transition.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

Environmental Assessment

The project takes place in Serbia and Montenegro both non-EU countries. In Serbia, the project scope does not fall under Lists (Annexes) I or II of the Environmental Impact Assessment (EIA) law that lists the projects that mandatorily require (Annex I) or that may require (Annex II) an EIA. Similarly in Montenegro the project scope does not fall into the List (Annex) I or II of the EIA law. Were this project located within the EU, it would not fall under Annex I or Annex II of Directive 2011/92/EU amended by the Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive), meaning that the Competent Authority would not make a decision as to whether a formal EIA would be required.

The project has been assessed in terms of climate risks, which are considered to be low. The project has been assessed for Paris alignment and is aligned both against low carbon and resilience goals against the policies set out in the Bank's Climate Bank Roadmap and its Transport Lending Policy.

The project finances components consistent with climate change mitigation requirements of the common principles for climate mitigation finance tracking of Multilateral Development Banks and The International Development Finance Club on efficient air traffic management.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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EIB Carbon Footprint Exercise

Estimated emission net savings are 23,460 tonnes of CO₂ equivalent per year corresponding to about 1% of total air traffic emissions over the Serbia and Montenegro airspace, as calculated by Eurocontrol. The emission savings result from the increased efficiency in aircraft routing in the airspace controlled by SMATSAs including take-off and landing procedures.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty SMATSA is in scope and screened out of the PATH framework, because it is not considered high emitting nor high vulnerability.

Public Consultation and Stakeholder Engagement

As a member of Eurocontrol - the European Organisation for the Safety of Air Navigation - SMATSA is bound to certain provisions of the Single European Sky (SES) legislation. This includes requirements for consultation with the aviation sector stakeholders when setting user charges or making significant investment decisions.

Other Environmental and Social Aspects

SMATSA, the Promoter, is certified under ISO 9001 for its Quality Management and ISO 14001 for its Environmental Management System.

SMATSA is aligning with the goals of the Paris Agreement. As a member of CANSO (the ATM Industry Association), SMATSA is a signatory to *Destination 2050*. *Destination 2050* is the European aviation sector roadmap, which also includes airlines, airports, air navigation service providers and manufacturers, to achieve net zero carbon emissions by 2050 and was publicly released in February 2021. *Destination 2050* shows a possible pathway that combines new technologies, improved operations, sustainable aviation fuels and economic measures.

Conclusions and Recommendations

Based on the above, the project is acceptable in environmental and social terms for EIB financing.