



Independent
Project
Accountability
Mechanism

Assessment Report

Belgrade Solid Waste Public Private Partnership

EBRD Project Number 46758

Case 2021/01 (Request #2)

April 2021

The Independent Project Accountability Mechanism (IPAM) is the accountability mechanism of the EBRD. It receives and reviews concerns raised by Project-affected people and civil society organisations about Bank-financed Projects, which are believed to have caused harm. IPAM may address Requests through two functions: Compliance Review, which seeks to determine whether or not the EBRD has complied with its Environmental and Social Policy and/or the Project-specific provisions of the Public Information Policy; and Problem-Solving, which has the objective of restoring dialogue between the Requesters and the Client to resolve the issue(s) underlying a Request without attributing blame or fault. Affected Parties can request one or both of these functions.

For more information about IPAM, contact us or visit <https://www.ebrd.com/project-finance/ipam.html>


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Unless otherwise indicated capitalised terms used in this report are those as set forth in the 2019 Project Accountability Policy.

List of Abbreviations

Abbreviation	Long Form
Client/Company/Beo Clean Energy	Beo Cista Energija d.o.o Beograd
CDW	Construction and Demolition Waste
CSO	Civil Society Organization
EBRD	European Bank for Reconstruction and Development
EfW	Energy from Waste
EIA	Environmental Impact Assessment
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESP	Environmental and Social Policy
IPAM	Independent Project Accountability Mechanism
Lenders	EBRD and IFC
PPP	Public Private Partnership
PR	Performance Requirement
PAP/Policy	2019 Project Accountability Policy that governs IPAM functioning
PAPs	Project-affected People
Project	Belgrade Solid Waste PPP Project No. 46758
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan
ToR	Terms of Reference

Executive Summary

The Request

The [Independent Project Accountability Mechanism](#) (IPAM) received on 24 November 2020 a [Request](#) from six individuals belonging to Roma waste pickers community represented by A11 Initiative for Economic and Social Rights and advised by CEE Bankwatch, alleging that the [Belgrade Solid Waste PPP \(46758\)](#) (the Project) has caused physical and economic displacement. During the Assessment stage, on 9 March 2021 one additional Requester joined the IPAM process, making in total seven Requesters that represent five households. Requesters asked for their identities be kept confidential as a precautionary measure, due to concerns of potential intimidation, pressure, and reprisals. Requesters raise concerns regarding insufficient compensation received, the inadequacy of the alternate housing provided and inability to pay utility costs. They also allege, that they cannot access the Vinča landfill, which is a source of livelihood for them. It is further claimed that the resettlement process has not complied with local legislation and Requesters had their contracts with the public utility company unilaterally terminated. The Requesters have expressed an interest in Problem Solving.

The Project¹

The [Belgrade Solid Waste PPP \(46758\)](#) is located at the site of the existing Vinča waste facility, west of Belgrade, Serbia. The Project involves debt financing in an amount of up to EUR 70 million to Beo Cista Energija d.o.o Beograd (the Client, the Company, or Beo Clean Energy), a limited liability company established with the sole purpose of operating and financing the Project under a Design, Build, Finance, Operate, Transfer scheme owned by a consortium integrated by global utility company Suez, S.A., the Japanese conglomerate Itochu Corporation and Marguerite Fund II, a pan-European equity fund. The operation will enable the company to finance, construct and operate landfill and facilities for treatment and disposal of collected residual municipal waste generated in thirteen municipalities of the City of Belgrade for a volume of approximately 510,000 tons/year and treatment of Construction and Demolition Waste (CDW) to a volume of approximately 200,000 tons/year generated in its territory. The Project is also receiving support from the International Financial Corporation (IFC) in the amount of up to EUR 70 million.

The Project objectives are the following:

- the remediation, closing and aftercare of the existing Vinča landfill;
- the construction of a new landfill;
- the construction of an Energy-from-Waste Facility (EfW) incineration plant, and Construction and Demolition Waste Facility.

The Project was approved by the EBRD Board of Directors on 18 September 2019, as Category A under the EBRD 2014 Environment and Social Policy (ESP). The loan is currently being disbursed.

IPAM Process

The Request was registered by IPAM on 14 January 2021 under [Case number 2021/01](#), thus initiating the Assessment stage.

¹ Project Summary Document available at: <https://www.ebrd.com/work-with-us/projects/psd/belgrade-solid-waste-ppp.html>

The Assessment of the Request was conducted during January - March 2021 in accordance with the [2019 Project Accountability Policy \(PAP\)](#). IPAM conducted an in-depth analysis of the Request and additional information provided by the Requesters' Representatives, the Client, City of Belgrade and EBRD Management to better understand the issues raised in the Request. IPAM also held online meetings with the relevant Parties to explore the Parties willingness and capacity to engage in a Problem Solving facilitated by IPAM to help them address the concerns raised in the Request. Given the travel restrictions due to Covid-19, IPAM could not travel to the Project site and has performed its Assessment virtually.

Conclusions and Next Steps

After the Assessment, IPAM has determined that the Case will proceed to Problem Solving as all Parties (Requesters, Company, City of Belgrade and Bank Management) have expressed their willingness to engage in a Problem Solving Initiative under the facilitation of IPAM. Requesters delegated authority to their Representatives to participate in the IPAM's Problem Solving to pursue their interests.

Based on the Assessment findings, this report includes in Annex 1 preliminary Terms of Reference for the Problem Solving initiative whereby the proposed scope, methods to be used, the timeframe for the initiative and the type of expertise required are presented.

As per 2.3 (C) of the 2019 PAP, this Assessment Report shall be submitted to the Board and the President for information, and made available to the Requesters, the Client and Bank Management. The Assessment Report is being disclosed to the public in English and Serbian in the [Case Summary Page](#) in the [IPAM Case Registry](#). After that, the Case will be transferred to the Problem Solving stage.

1. Background

1.1. The Project and its Current Status²

The [Belgrade Solid Waste PPP \(46758\)](#) is located at the site of the existing Vinča waste facility, west of Belgrade, Serbia. The Project involves debt financing of an amount up to EUR 70 million to Beo Cista Energija d.o.o Beograd, a limited liability company established with the sole purpose of operating and financing the Project under a Design, Build, Finance, Operate, Transfer scheme owned by a consortium integrated by global utility company Suez, S.A., the Japanese conglomerate Itochu Corporation and Marguerite Fund II, a pan-European equity fund. The operation will enable the company to finance, construct and operate landfill and facilities for treatment and disposal of collected residual municipal waste generated in thirteen municipalities of the City of Belgrade for a volume of approximately 510,000 tons/year and treatment of Construction and Demolition Waste to a volume of approximately 200,000 tons/year generated in its territory. The Project is also receiving support from the IFC in the amount of up to EUR 70 million.

The Project objectives are the following:

- the remediation, closing and aftercare of the existing Vinča landfill;
- the construction of a new landfill;
- the construction of an Energy-from-Waste Facility incineration plant, and Construction and Demolition Waste Facility.

As part of the Project, the existing dumpsite will be closed and subject to environmental remediation and management measures including leachate and landfill gas collection. The current site is 40 years old and is one of the largest uncontrolled dumpsites in Europe. It is located near the Danube River, which is receiving significant volumes of untreated leachate. The dumpsite is located on a hillside and is unstable and prone to periodic collapses. Part of the Project involves re-profiling the site to increase stability and constructing a retaining wall to prevent further slippages.

Location of the Project

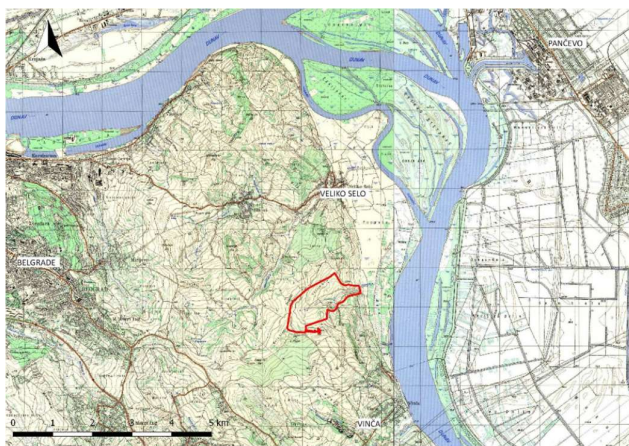


Figure 1. Source: Non-technical summary

Under the Project, the City of Belgrade is responsible for carrying out land acquisition and resettlement. For that purpose, the City of Belgrade prepared a Resettlement Action Plan (RAP) in line with PR 5, and families who used to live on the dumpsite were relocated to apartments in different municipalities at the end of 2018. Additionally, there were other households residing approximately 3km from the dumpsite. As per the Project Summary Document, waste pickers not living on the site were expected to lose their income by 2020 as

² EBRD's Project Summary Document available at: <https://www.ebrd.com/work-with-us/projects/psd/belgrade-solid-waste-ppp.html>

a consequence of the Project. They were working for the City's waste management company and seven subcontracted secondary materials recycling companies. Livelihood restoration measures were included in the RAP.

The Project was approved by the EBRD Board of Directors on 18 September 2019, as a Category A Project under the EBRD 2014 ESP and the loan is currently being disbursed.

1.2. The Request³

The Requesters, seven individuals representing five Roma households with waste picking as a main source of income, submitted their Request in Serbian and English to IPAM on 24 November 2020 raising issues around impacts associated with the Project. The Requesters are represented by the civil society organisation **A11 Initiative for Economic and Social Rights** and advised by **CEE Bankwatch** and have asked their identities be kept confidential due to fear of intimidation and retaliation. They allege that the Project has caused physical and economic displacement and expressed an interest in Problem Solving.

In engagement with the Requesters' Representatives and the analysis of the Request and other supporting documents provided, IPAM has been provided with further detail on the concerns that have led to the submission of the Request⁴. They comment that on 28 December 2018, the families living on the Vinča landfill were evicted and relocated to alternate accommodation, which they claim was not undertaken in line with Serbian legislation, international treaties, or EBRD's standards that guarantee the right to adequate housing and protection from forced eviction. In particular they allege that:

- The housing and compensation provided is not adequate, nor suitable for the households of waste pickers, as the rent and utilities are beyond their means;
- They were left without legal protection from potential forced eviction, as they had not signed contracts with the City of Belgrade defining their rights and obligations;
- The apartments they were relocated to were already burdened with large unpaid rent costs and utility services by previous tenants and now Requesters are responsible for those debts;
- In May 2020, Requesters were informed about the unilateral contract termination with the Public Utility Company "Gradska Cistoca", which resulted in limited access to the landfill due to lack of permission assigned through the contract, thus impacting their livelihoods.

Additionally, they allege that around 30-40 waste pickers used to work and live at the Vinča landfill. However, only the residents of the informal settlement at Vinča landfill who took part in a census undertaken in June 2016, two years before the beginning of the resettlement, have actually been resettled. Several families that have been living at the Vinča settlement before the census and several families who came to live there after the census, ended up without alternate accommodation.

³ IPAM Request available at in the Case Processing Summary: <https://www.ebrd.com/work-with-us/projects/ipam/2021/01.html>

⁴ The list of concerns are included in the IPAM Request available at in the Case Processing Summary: <https://www.ebrd.com/work-with-us/projects/ipam/2021/01.html>

1.3. IPAM Processing to Date

a) Registration of the Request

The Request was registered on 14 January 2021 as it met the criteria for Registration established in Section 2.2 (b) the PAP, and none of the exclusions set in Section 2.2 (c) of the PAP applied. The registration of a Request represents an administrative step⁵, acknowledging that it meets the registration criteria, none of the exclusions apply and its processing under IPAM would not duplicate or interfere with any other processes. In this case:

- All mandatory information has been provided;
- The Request raises issues related to specific obligations of the Bank under the ESP;
- The Request relates to a Project that has been approved and the Request was submitted within 24 months of the date that the Bank ceases to have a financial interest in the Project;
- None of the exclusions that prevent registration are met; and
- The Request does not duplicate or interfere with or is impeded by other processes.

b) Assessment of the Request

The Registration of a Request initiates the Assessment process which is established in para. 2.3 of the 2019 PAP, and is intended to:

- develop a clear understanding of the issues raised in the Request;
- discuss the Problem Solving and Compliance Review functions with the Parties, their scope and possible outcomes;
- assess the Parties' willingness to engage in each function, while taking Requesters' preference among functions into account;
- consider the updated status of other grievance resolution efforts, if applicable; and
- make a final determination with three alternatives open to IPAM:
 - a. the Case will proceed to Problem Solving, based on the agreement of the Requesters and the Client; or
 - b. the Case will be transferred to Compliance Assessment, if no agreement to pursue Problem Solving is reached and Requesters have expressly asked for this; or
 - c. the Case will be closed.

The Assessment stage has a standard duration of 40 business days from the date of Request registration which might be extended to ensure robust processing or if translation of documents is required. IPAM initiated the Request Assessment on 22 December 2020 and completed it at the end of March 2021 by issuing this Assessment Report which describes the outcome of the assessment process.

⁵ Registration of a request does not involve a judgement on the merits, truthfulness or correctness of its content. Nor does it have the effect of suspending the Bank's interest in the Project.

In this case, to facilitate engagement with the Parties, IPAM has translated communications and reports to Serbian and provided simultaneous interpretation during online sessions with the Representatives.

2. Assessment Approach

Upon case registration and further to para. 2.3. of the PAP, IPAM undertook a desk review of relevant Project documentation, the Request and supporting documentation provided by the Requesters, Bank management, the Client and the City of Belgrade.

In normal circumstances, a site visit to engage with Requesters, the Client, the City of Belgrade and other relevant stakeholders as well as to get to know the Project area takes place at this stage, however due to the prevailing COVID-19 Pandemic, a site visit to the Project area was not possible. In lieu, online meetings were held with the Requesters' Representatives, the Client, the City of Belgrade, Bank Management, and with three local consultants specialized in Roma minority issues who were involved in the Project. The meetings were held during January - March 2021 in order to:

- Gather information on the context of the Project, the due diligence process and its current status;
- Understand better the issues and actions undertaken to date in relation to the allegations made by the Requesters;
- Explore, in general terms, the underlying interests of each of the Parties and their amenability to engage in a Problem Solving process in relation to the concerns raised in the Request; and
- Provide information on the Problem Solving and Compliance Review functions, their scope and potential outcomes.

Before issuing the Assessment Report, IPAM shared with all the Parties, the relevant sections of the Report and the proposed Terms of Reference to ensure accuracy.

At the end of this stage, IPAM issues the Assessment Report describing the outcome of the assessment made. After sharing with the EBRD Board of Directors and the EBRD President, the Report is made available to Requesters, Bank Management, the Client, and the City of Belgrade and is publicly disclosed in the IPAM Case Registry.

3. Summary of the relevant Parties Views

3.1 Requesters

IPAM held online meetings with the Requesters' Representatives on 23 December 2020 and on 11 February 2021 with simultaneous interpretation into Serbian. In addition, IPAM reviewed supporting documentation provided by Requesters' Representatives, specifically a needs assessment of affected families; photos of houses where Requesters were resettled; a narrative about the process of eviction and copies of housing lease agreements and utility bills. A summary

of IPAM's engagement with representatives of A11 initiative and CEE Bankwatch is presented below.

During the meetings, Requesters' Representatives stated that the communication with the City of Belgrade has not been effective to date. They also indicated that in their view the City of Belgrade did not fulfil all their legal obligations during the resettlement process. They also commented that several families living at informal settlement at the Vinca landfill missed the census conducted in 2016 as they were not notified of it, thus they claim that some of the families residing there may have been excluded from the livelihood restoration plan and alternative housing.

Requesters' Representatives explained that there were a total of 17 households to be relocated: eight families were relocated within the City of Belgrade and nine outside Belgrade, in Šabac and Vladimirci municipalities.

In addition, they stated that the resettlement process undertaken by the City of Belgrade was not in line with national law or international standards, as they allege that Requesters were not adequately consulted nor informed about their rights and obligations regarding the alternative housing. Further to this, Representatives claim that Requesters were not notified about the eviction, thus had no time to prepare, this resulted for some of Requesters in loss of furniture, equipment for work, personal goods, identity documents, etc. They, therefore, claim that compensation for their loss should be made, as well as for the loss of income.

Further, Representatives explained that Requesters were offered to sign lease agreements for the use of social apartments owned by the City of Belgrade. They comment that Requesters cannot cover the cost, due to their limited income. Requesters were promised that a monthly subsidy would be provided to cover the housing and utilities costs, but to date not all Requesters have received it.

Moreover, in December 2020 Requesters from Belgrade were presented by the Secretariat of Social Welfare of the City of Belgrade with lease agreements for social housing, that in the view of Representatives are not typical lease agreements under local law and represent a cross-over from different types of contracts: they lack information on the lease duration, rental amount to be paid and conditions on utilities payment. Notwithstanding this, Requesters are getting bills for housing and utilities and are expected to pay those on a monthly basis.

Further, Representatives explained that Requesters did not receive information on potential compensation or subsidies they are entitled to in connection with their displacement from the Vinča landfill.

Representatives added that since May 2020 when Requesters were notified about the unilateral contract termination with the Public Utility Company "Gradska Cistoca", the informal access to the landfill has been limited, which resulted in loss of livelihood means.

Representatives commented that the Client and the City of Belgrade had two years to restore the livelihoods and to ensure employment of the Project affected People, but so far there have been no outcomes in this regard.

Finally, Representatives confirmed that Requesters expressed their strong preference to pursue the Problem Solving function of IPAM and willingness to participate in a Problem Solving initiative facilitated by IPAM. They, however, emphasised their concerns over retaliation and intimidation to the Requesters and that due consideration of this has to be made.

3.2 Client

An online meeting with representatives of the Client was held on 18 February 2021. In addition, IPAM had follow up written communications with the Client in March 2021. IPAM reviewed the documentation provided by the Client related to the issues raised in the Request, namely reports describing the current situation of resettled families, their immediate needs, long term needs, as well as the actions undertaken by the Client until now to support the resettled families in addressing their urgent needs in line with the RAP. The Client indicated that despite the fact that the City of Belgrade and other government authorities are in charge of the waste pickers' relocation and livelihood restoration, the Client is taking this Request very seriously and is willing to assist in the resolution of the concerns raised. The Client indicated that they have met with Requesters Representatives recently and had a constructive discussion on the matters raised in the Request.

The Client provided a detailed update on the current status of the Project. They mentioned that in 2017, Beo Clean Energy signed a PPP contract with the City of Belgrade to provide services for treatment and disposal of over 500,000 tons of solid municipal waste on a yearly basis. They explained that Beo Čista Energija will design, finance, construct, maintain and operate for 25 years two co-generation plants for production of electrical power and heating energy by utilizing waste and landfill gas recovery, will provide remediation of the existing Vinča landfill and will construct a new sanitary landfill.

They added that the Company has a system for collection and treatment of polluted leachate water. Client representatives added that all facilities shall be constructed in accordance with Serbian and EU environment protection standards and that the Company is going to utilize up-to-date technology in that regard.

The Client indicated that it took them two years to complete the necessary work permit required for the construction and to obtain finance from IFC and EBRD. The Client also mentioned that by September 2019, all contracts were signed, permits were obtained, and construction works started and has been progressing even during the Covid-19 Pandemic. Besides that, the Client indicated that procurement activities are progressing well and that they are expecting the installation of key equipment soon and the Project operation is scheduled to start in August 2022.

In terms of the resettlement process, they mentioned that the official documents that guide the resettlement are the RAP and the ESIA endorsed by Lenders. The Client emphasised that the relocation process is complex as not all families could be relocated within Belgrade. As per local legislation, the City of Belgrade does not have jurisdiction to relocate those families that had their residency in Šabac and Vladimirci municipalities prior to settling in the Vinča landfill. Specifically, the Client explained that in line with Serbian regulations nine families were resettled in Belgrade municipality, but the remaining eight families had to return to their municipalities of origin: three to Šabac and five to Vladimirci.

Client representatives mentioned that the families resettled in Belgrade live in adequate and centrally heated apartments provided by the City and that in their view, the situation of those households has improved. They admitted that there are some pending issues related to paperwork for some resettled families to get subsidies from the State. Resettled families should first be officially registered as unemployed and then would be able to apply for reduced electricity tariff, social aid, and child aid. They indicated that it is a matter of procedure and timing for State institutions to respond to residents' applications. The Client confirmed that waste pickers residing in Belgrade social apartments are indeed being presented with monthly utility bills that include historical debts of previous residents. They also admitted that it might be unpleasant for the

resettled families to see those huge amount of debts in their monthly utility bills, considering that those are someone else's debts.

In the Client's view, the key problems are related to families resettled outside Belgrade, those families had to temporarily return to the houses of their relatives in their municipalities of origin. The Client admitted that conditions for them are not optimal, as not all houses in Šabac and Vladimirici municipalities where the resettled families had to return, have connection to running water, electricity or central heating. Despite that, the Client indicated that they have provided aid packages and firewood to them during the winter season.

The Client stressed that intensive discussions were held between the Client, the Lenders, the City of Belgrade and the Serbian government in relation with the resettlement process. Lenders have identified gaps in the resettlement process and provided recommendations to local and central authorities on what should be improved. Specifically, the Client indicated that the central government has allocated funds to Šabac and Vladimirici municipalities in order for those local authorities to purchase houses for resettled families. The Client stressed that key actors are working together to allocate decent housing for all displaced families, but they admitted that not all actions have been completed yet and that they expect more progress in that regard by the second quarter of 2021.

In terms of livelihood restoration, the Client indicated that while in the RAP it is mentioned that the waste pickers will be employed by the Company, the situation has changed and neither the Client, nor the EPC contractor can employ all waste pickers. The Client described their efforts to support waste pickers find other jobs, but in their view waste pickers did not express much interests on alternate livelihood options, considering that they still have informal access to the landfill and are able to earn some money in the meantime. While the waste pickers' livelihood restoration is the responsibility of the City of Belgrade, the Client confirmed that they stand ready to support this process and are willing to receive some guidance in that regard as these processes are new for Serbia and there is limited local experience in that regard.

The Client expressed their willingness to engage in an IPAM-facilitated Problem-Solving so as to improve their engagement with the Requesters and their Representatives and resolve any pending issues, while emphasising that the Party responsible for the resettlement and livelihood restoration is the City of Belgrade and suggested that IPAM invites them to participate in the initiative as well. The Client stressed the need for the process to be based on facts, all Parties abiding by the rules and engaging in good faith.

3.3. EBRD Management

During the online meeting with IPAM, on 10 February 2021, Bank Management provided an update on the implementation of the Project. They indicated that are satisfied with the Company's performance and consider that the Client has gone the extra mile in supporting the City of Belgrade who are responsible for resettling and restoring the livelihoods of waste pickers. Bank Management mentioned that the Project is complex and of national importance, enjoying a lot of attention and governmental support.

They explained that Project activities were initiated in October 2019, and in 2020 the Project progressed intensively despite a range of issues, such as landslides on the landfill, limited administrative capacity of the City of Belgrade and further complications due to the Covid-19

pandemic. However, Bank Management confirmed that different governmental units are working together in delivering the Project.

They indicated that they are aware and agree with the issues raised in the IPAM Request as these gaps were also identified during the Lenders' monitoring activities on the Project. Additionally, they noted that the issues go beyond the seven Requesters who approached IPAM, and there are nine families who already have been resettled in Belgrade apartments and eight additional families who have been relocated outside Belgrade, in Šabac and Vladimirci municipalities. They further mentioned that they would prefer a holistic approach to support all 17 resettled families.

Management agreed that the resettlement housing provided should be adequate for all families and that waste pickers' livelihoods should be restored. At the same time, they admitted that a large number of waste pickers still continue working on the dumpsite, which makes things even more complex as it is expected that waste pickers would lose their access to the landfill, and thus their income very soon. Considering that this is a third-party resettlement, Bank Management indicated that this process goes beyond the EBRD, or the Client. Nevertheless, according to Bank Management, the Client, City of Belgrade and Lenders played a significant role in the development of the RAP and have joined their efforts to make sure that all processes are done in line with the EBRD's Performance Requirements and the IFC's Performance Standards.

The Project team expressed their support for a potential Problem Solving and shared their hope that a dialogue facilitated by IPAM could result in tangible solutions for Project affected People and a resolution on all issues raised. They also endorsed the idea for IPAM to contract a local facilitator who would speak Serbian and would support IPAM in engaging with relevant Parties. Bank Management also agreed to support IPAM in engagement with the City of Belgrade and suggested that IPAM invites them to join the Problem Solving initiative.

3.4. City of Belgrade

In early March 2021, IPAM initiated contacts with the City of Belgrade via email, providing background information on the Case, IPAM and the Request. An online meeting with representatives from the City of Belgrade was held on 31 March 2021. The objective of the meeting was to get their official perspective on the Project, its role in the resettlement process and the progress made in relation to it. In addition, IPAM sought to explore if the City of Belgrade would be amenable to participate in a Problem Solving initiative facilitated by IPAM and, if so, how.

In response, the City of Belgrade officials informed IPAM that in line with the PPP Contract, the City of Belgrade was in charge of resettling the waste pickers that were living and working on the Vinča landfill so that the EBRD Client could utilize the landfill as determined by the PPP.

The officials stated that in 2018, the RAP was adopted providing details on the resettlement process and livelihood restoration for the households living in the informal settlement on the Vinča landfill in line with local legislation and Lenders' requirements. The aim of the RAP was to mitigate any potentially harmful effects of the proposed Project and to re-establish and improve the living standards of the Project-affected People.

They added that the resettlement process was carried out in line with the RAP. Nine families that lived in the Vinča informal settlement and had their permanent residence on Belgrade territory, were provided with apartments owned by the City of Belgrade according to the size of those families when resettled. The City of Belgrade stated that lease agreements were concluded with the users of the apartments (tenants), which defined the rights and obligations of the signatories.

Additionally, they commented that the resettled families had been supported by the City of Belgrade officials and the Client to improve their living conditions through exercising their rights for social protection, health protection and registering with the national employment service.

With regards to the other eight families with no registered residency in Belgrade, the City of Belgrade in collaboration with the Government of Serbia made an effort to support both Šabac and Vladimirci to resolve the issues that the families were experiencing due to the resettlement. Out of eight families that were resettled outside Belgrade, five will be offered prefabricated houses in Vladimirci and three rural households will be purchased in Šabac once government resources are allocated to these municipalities.

The officials explained that they have engaged with resettled families and involved them in different training initiatives implemented by the City and other development partners, as well as identifying employment opportunities. While five families expressed interests in job opportunities offered, they eventually did not accept them. From the perspective of some City of Belgrade officials, families tend not to accept regular jobs as they fear losing the social allowances they are receiving at the moment. The City of Belgrade officials admitted that the livelihood restoration of resettled families is still pending. They do not consider that this is a problem per se, but it could become if families do not accept the opportunities presented by the City of Belgrade. Thus, they would like for families to cooperate with them in this respect.

Finally, the City of Belgrade officials expressed their willingness to engage in an IPAM-facilitated Problem-Solving and assist the resolution of any pending issues, while emphasising that they have done all activities in line with local legislation and Lenders requirements. The City of Belgrade showed their openness to share with IPAM and Parties involved in Problem Solving information and documentation related to the preliminary agreed topics for the dialogue. They stressed the need for the process to be based on facts, not on criticism, for all Parties to collaborate in addressing the issues, abiding by the rules established, and engaging in good faith.

3.5. Other Stakeholders

During March 2021, IPAM held bilateral online meetings with three Serbian consultants specialized in Roma ethnic minority issues who have been, or still are, involved in the Project activities. These external local consultants were contracted by the Client, in line with Lenders' requirements and were tasked to undertake a range of activities to identify the needs of resettled families and to follow up on their most urgent needs after the resettlement. The local consultants interviewed by IPAM stated that in their view the resettlement process showed some weaknesses, particularly in relation to the quality and affordability of the housing offered. They added that Roma waste pickers, particularly those resettled in Belgrade had to change their lifestyle and adapt to living in apartments despite their disagreement with the type of housing offered. In addition, the consultants mentioned that, families are facing huge utility debts left by previous tenants and can't apply for reduced utility costs because of the historic indebtedness.

Finally, the consultants stated that from their perspective the key problem is a lack of comprehensive and inclusive approach in the process, as those families not only lost their houses, they lost their jobs and livelihoods as well. While the Serbian authorities have been focusing to date on housing, the livelihood restoration has received less attention. They consider that the approach should be to seek an inclusive and sustainable resettlement process.

4. Assessment Determination

Based on the analysis undertaken and the engagement with each Party, IPAM can confirm that all Parties have expressed willingness to engage in good faith in a Problem Solving exercise facilitated by IPAM on the issues raised in the Request. IPAM has also found that there is a general consensus that an IPAM-facilitated Problem Solving exercise could assist in establishing additional channels of communication and understanding between Parties complementing the activities that are already in place.

Parties have demonstrated their commitment to engage in a respectful, rule-based process and to look at mutually agreeable solutions for the concerns raised. However, it should be taken into consideration that the current global conditions related to Covid-19 which result in travel restrictions and social distancing will have an impact on the design and implementation of this process.

Thus, IPAM finds that from its perspective there appears to be conditions to initiate a Problem Solving initiative, focused on the following main topics:

- Adequate and sustainable housing;
- Affordable rent and utility cost;
- Access to education; and
- Income generation.

In addition, Parties agreed to engage in discussions on the topics listed above and have committed to listen to each other with due consideration and support their positions with documentation and data in their possession. They have expressed their willingness to engage in alternative dispute resolution process under the facilitation of IPAM and that they expect all Parties to engage in good faith and efficiently.

While acknowledging that Requesters have elected A11 to represent them in the IPAM process, Parties have expressed that for an effective Problem Solving initiative the Requesters would have to participate in it.

In summary, as per paragraph 2.3 of the 2019 PAP, after reviewing the Request, all relevant documentation provided and the information gathered during IPAM consultations with Parties, the Mechanism considers that a Problem Solving process is feasible, so the Case can proceed to Problem Solving to continue its processing. In Annex 1, the proposed Terms of Reference are presented with the objective to guide the process and clarify its scope and tentative timeframe.

5. Conclusions and Next Steps

As a result of the Assessment, IPAM has determined that the Case will proceed to Problem Solving as all relevant Parties (Requesters, Client, City of Belgrade and Bank Management) have expressed their willingness to engage in a Problem Solving Initiative under the facilitation of IPAM.

Given these findings, this Report includes preliminary Terms of Reference for the Problem Solving whereby the proposed scope, methods to be used, the timeframe for the initiative, the type of expertise required are presented.

As per 2.3 (C) of the 2019 PAP, this Assessment Report shall be submitted to the Board and the President for information, and made available to the Requesters, the Client and Bank Management. The Assessment Report is being disclosed to the Public in English and Serbian in the [Case Summary Page](#) in the IPAM [Case Registry](#). After that, the Case will be transferred to the Problem Solving Stage.

Annex 1 Proposed Problem Solving Terms of Reference for Case 2021/01

I. About the IPAM Problem Solving Process

The Project Accountability Policy (PAP) in section 2.4 establishes general guidance to be observed in IPAM-facilitated Problem Solving initiatives in general:

Guiding Principles for Problem Solving

The Problem Solving initiatives led by IPAM are based on the following guiding principles:

Co-design: the design of Problem Solving processes should be based on the methods, format and preferences of the Parties.

Good Faith: the success of Problem Solving processes requires that all Parties are willing to participate in good faith, effectively seeking to find mutually agreeable solutions.

Rules-based: Problem Solving processes require that the Parties define from the start the ground rules that will guide the process and that they commit to abiding by them.

Voluntary Nature: The Parties have the right to enter, as well as withdraw from a Problem Solving process.

II. Objective

The objective of the Problem Solving is to:

- facilitate dialogue between Requesters and the EBRD Clients (together as Parties),
- pursue resolutions acceptable to all Parties, which aim to resolve the issues raised in the Request; and
- facilitate the conclusion of mutually acceptable agreements between Parties.

For the purpose of the Problem Solving, these Terms of Reference apply to all actions undertaken as part of the EBRD financed components of the Belgrade Solid Waste PPP. Activities carried out under this Problem Solving Terms of Reference may be subject to modification, provided that the IPAM Head expressly agrees to the change(s), and so long as such changes do not prejudice the interests of any Party.

III. Approach

IPAM serves as a third party impartial facilitator that provides guidance and seeks to promote the building of trust between the Parties and ensure that the engagement is equitable and accessible.

In order to achieve the objective of finding mutually acceptable resolution to the issues presented in the Request, IPAM will:

- i. take into account all circumstances of the Case (including the nature of the issues raised, their urgency, and the reasonable likelihood of success), with a view to identifying the most appropriate approach to Problem Solving. Approaches will be chosen in consultation with the Parties, and may include: facilitated dialogue, mediation, conciliation, information sharing, joint fact-finding or supported negotiation;
- ii. engage external consultants to support and facilitate the dialogue process in accordance with the Procurement Rules and Paragraph 3.1 i) of PAP, if deemed necessary by IPAM; and
- iii. not support agreements that would be contrary to EBRD policies or in breach of any applicable law.

IV. Termination.

The Problem Solving process may be terminated at any time:

- by IPAM, if in IPAM's view, following consultation with the Parties, the Problem Solving is no longer likely to lead to a positive outcome, and/or if the Problem Solving process has ceased to constitute an efficient use of resources, in which case IPAM will notify all Parties in writing; or
- by any Party; Problem Solving is a voluntary process, and Requesters and Clients may withdraw from it at any time.

V. Scope of the initiative

The scope of the initiative is limited to the issues raised in the Request in relation to the Project and further elaborated in the Assessment Report. In particular, the Parties have expressed preliminarily that the initiative would centre in the following topics:

- Adequate and sustainable housing for resettled families;
- Affordable costs for rent and utilities;
- Waste pickers' access to education; and
- Income generation for resettled families.

VI. Proposed Methodology

As per the Assessment findings, and subject to confirmation as the initiative advances, the methods utilised in this Case would include:

- Information gathering and sharing in culturally appropriate formats;
- Fact finding on the issues raised in the Request;
- Capacity building activities with Parties;
- Facilitated information-exchange;
- Mediated bilateral and joint discussions; and
- Conciliation.

VII. Resources Required

• Independent External Facilitator

In line with the provisions of the 2019 PAP, the Problem Solving process will be led by IPAM staff and will be supported by an independent external facilitator. The facilitator is expected to be a trained dispute resolution specialist, to have a track record of participatory engagement with community groups and private companies. The facilitator should have good knowledge of the regional context and the local culture where the Project operates and be familiar with issues faced by vulnerable and marginalized, such as Roma population.

The facilitator should speak fluently Serbian and English and be an excellent communicator. He/she should have demonstrated experience facilitating complex multi-party disputes around development projects. IPAM expects the facilitator to have the ability to travel to the Project location in Serbia and engage extensively with Parties.

The facilitator will moderate the dialogue as a neutral ‘third party’, in an independent and impartial manner and should have no conflicting interests in relation with the Project or any of the Parties involved in Problem Solving. It is not the role of the facilitator to decide whether Parties’ actions, opinions or perceptions are right or wrong or to arbitrate in favour of one of the Parties.

• Site Visits

Site visits by the external facilitator and the IPAM team will be required during the process. Any travel will require to take into consideration the current travel restrictions caused by the global Covid-19 Pandemic.

VIII. Problem Solving Timeframe

As per the PAP, the Problem Solving initiative has an estimated timeframe of 12 months. The process will commence once IPAM has identified and contracted an external facilitator.

A preliminary schedule of the main milestones and deliverables is presented below, subject to Parties’ agreement:

Proposed Milestones and Schedule

Activity	Estimated timeline
Initiation of the Problem Solving	Q2 2021
Identification of Representatives; agreement on ground rules for the Problem Solving; agenda, format, specific activities and timeframe	Q2 2021
Capacity building for Parties to effectively engage in Problem Solving	Q2 2021
Engagement with Parties to discuss the concerns raised and seek for solutions	Q3 –Q4 2021
12 month timeframe limit	End of Q1 2022