

Independent Project Accountability Mechanism

Second Problem Solving Monitoring Report

Belgrade Solid Waste Public Private Partnership EBRD Project Number 46758 Case 2021/01 (Request #2)

September 2024

The Independent Project Accountability Mechanism (IPAM) is the European Bank for Reconstruction and Development's (EBRD) accountability mechanism. IPAM independently reviews issues raised by individuals or organisations concerning Bank-financed projects that are believed to have caused or be likely to cause harm. The purpose of the mechanism is to facilitate the resolution of social, environmental, and public disclosure issues among project stakeholders; to determine whether the Bank has complied with its Environmental and Social Policy and the project-specific provisions of its Access to Information Policy; and, where applicable, to address any existing noncompliance with these policies, while preventing future non-compliance by the Bank. For more information about IPAM, contact us or visit www.ebrd.com/project-finance/ipam.html

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How to submit a complaint to the IPAM

Concerns about the environmental and social performance of an EBRD Project can be submitted by email or via the online form at:

https://www.ebrd.com/project-finance/ipam.html

Contents

LIST OF	F ABBREVIATIONS	4
	ΠVE SUMMARY	
1. BAG	CKGROUND	6
1.1. 1.2.	Request Project	6
	OBLEM SOLVING INITIATIVE	
3. PR	OBLEM SOLVING MONITORING	7
	Monitoring Activities	
4. CO	NCLUSION	10

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
Board	the Board of Directors of the European Bank for Reconstruction and Development
Case	the consideration of a Request under the Project Accountability Policy following its registration
CAO	the Chief Accountability Officer of the EBRD, and IPAM head
Case Registry	the registry of Cases created in accordance with Section III, Paragraph 3.1 of the Project Accountability Policy, which can be found on the IPAM Webpage
CSO	Civil Society Organization
EBRD (or Bank)	the European Bank for Reconstruction and Development
ESP	the EBRD's Environmental and Social Policy in force at the time of Project approval
IPAM	the Independent Project Accountability Mechanism of the EBRD established as per the 2019 Project Accountability Policy
IPAM Head	the EBRD managing director responsible for the running of IPAM, the implementation of the Project Accountability Policy and for making the decisions that are the responsibility of IPAM under said Policy
PAP	the 2019 Project Accountability Policy
Parties	the individuals, entities, and/or organisations with a direct interest in a Case. Parties may include (but are not limited to): the Requesters; their Representatives, if any; the relevant Bank department, team, or unit; the Client; and other Project financiers or other entities responsible for the implementation of a Project
Problem Solving	the IPAM function which supports voluntary dispute resolution engagement between Requesters and Clients to resolve the environmental, social, and public disclosure issues raised in a Request, without attributing blame or fault.
PSD	Project Summary Document
President	the President of the EBRD
Request	The communication submitted by a Requester or the representative to IPAM under this Policy

EXECUTIVE SUMMARY

On 24 November 2020 the <u>Independent Project Accountability Mechanism</u> (IPAM) received a <u>Request</u> from five Roma households of waste pickers (Requesters) represented by A11 - Initiative for Economic and Social Rights (a Serbian CSO) and advised by CEE Bankwatch (an international network of CSOs). Requesters alleged that the <u>Belgrade Solid Waste PPP</u> (46758) caused them physical and economic displacement as they had to move from the Vinca landfill where they used to live and work. Requesters asked for their identities be kept confidential as a precautionary measure, due to concerns of potential intimidation, pressure, and reprisals and expressed interest in Problem Solving.

The Problem Solving Agreements were signed on the 4th and 5th of July 2023, when all Parties met in Belgrade and Vladimirci. The Case was transferred to the Problem-Solving Monitoring stage where IPAM oversees implementation of the agreements and reports on progress every six months. The first monitoring report was issued in January 2024 and is available in the virtual case registry under <u>Case 2021/01</u>.

During the second monitoring period (January – June 2024), IPAM conducted two monitoring visits to Serbia (February and March 2024). IPAM also decided to hire a local monitor to support the implementation of agreements and assist Requesters in accessing social services, and review education and income generation opportunities.

For this monitoring period, the Parties had committed to implement 14 actions by the end of June 2024. As reported here, 10 have been completed and 4 remain pending. The protracted transition process in local governments has been the main challenge for the timely implementation of some of the agreed actions.

This report was circulated to the Parties for comments prior to its disclosure and is submitted for information to the EBRD Board of Directors and the President. The report is then publicly available in the virtual case file Case 2021/01 in both English and Serbian.

IPAM will continue monitoring the implementation of the Problem-Solving Agreements until all commitments made by Parties are effectively carried out. The third Problem Solving Monitoring Report will cover the period July - December 2024 and is expected to be issued in January 2025.

1. BACKGROUND

1.1. REQUEST



Waste picker at Vinca landfill before remediation. Source: Beo Čista Energija

The Request was submitted to IPAM on 24 November 2020 by five families of Roma waste pickers represented by A11 - Initiative for Economic and Social Rights (a Serbian CSO) and advised by CEE Bankwatch (an international network of CSOs).

Requesters alleged that the <u>Belgrade Solid</u> <u>Waste PPP</u> (46758) caused them physical and economic displacement as they had to move from the Vinca landfill where they used to live and work. During the Assessment stage 12 additional affected families that were relocated

from the Vinca landfill joined the IPAM Case, making 17 households in total. Requesters expressed that they received no temporary housing, or for some of them the housing that was offered wasn't adequate, and they were unable to pay utility costs. In addition, Requesters claimed that lost personal property during the resettlement process. They also expressed that the resettlement process has not complied with the local legislation of Serbia and the EBRD's Environmental and Social Policy. Requesters asked for their identities be kept confidential as a precautionary measure, due to concerns of potential intimidation, pressure, and reprisals and expressed interest in Problem Solving.

1.2. PROJECT

The Belgrade Solid Waste PPP (46758) involves debt financing in an amount of up to EUR 70 million to Beo Čista Energija d.o.o Beograd who is in charge of the construction of new sanitary landfills, an energy-fromwaste facility for thermal treatment of solid municipal waste and production of electricity and heat for the residents of Belgrade. The Project also envisages the construction of a landfill gas facility which utilizes landfill gas for energy production, a leachate collection system and a leachate treatment facility, and construction and demolition of a waste



Vinca landfill leachate treatment plant. Source: Beo Čista Energija

recovery facility. The Project is also receiving support from the International Finance Corporation in the amount of up to EUR 70 million.

The existing Vinca landfill was one of the largest non-sanitary landfills in Europe which has been operating since 1977, spreading over 45ha and reaching 80m in height. Through the Project the landfill is being stabilized remediated, and covered, thus preventing landfill gas pollution and leachate generation, and polluting the surrounding soil.

Under the Project's Public Private Partnership, the City of Belgrade is responsible for carrying out land acquisition and resettlement. In this regard, in 2018 the City of Belgrade prepared a Resettlement Action Plan in line with the EBRD's Environmental and Social Performance Requirements 5. The families who used to live on the dumpsite in makeshift houses had to be relocated to Belgrade, Šabac and Vladimirci during December 2018 – January 2019. Considering that waste pickers were expected to lose their income, livelihood restoration measures have been provided in the Resettlement Action Plan. The Project was approved for financing by the EBRD Board of Directors on 18 September 2019, as Category A under the EBRD's 2014 Environment and Social Policy. The loan is currently being repaid by the Client.

2. PROBLEM SOLVING INITIATIVE

From May 2021 to July 2023 IPAM facilitated a <u>mediation process</u> between Requesters, their Representatives (A11 Initiative), Advisors (CEE Bankwatch), Beo Čista Energija d.o.o Beograd (the EBRD Client), the City of Belgrade, the Municipality of Vladimirci and City of Šabac.

The Problem-Solving Agreements were signed on the 4^{th} and 5^{th} of July 2023, when all Parties met in Belgrade and Vladimirci. Through the agreement, the 17 resettled families were guaranteed affordable social housing. In addition, they have access to specialized training and are being offered job opportunities. The process has sought to ensure that they can access social benefits and healthcare services as per their entitlements. Each family received furniture and house appliances and self-employed Requesters were offered tools and equipment.

The major concerns raised in the Request were addressed during the Problem Solving initiative (see <u>Case 2021/01 Problem Solving Summary</u>). However, as some actions required more time for its full implementation (particularly those related to livelihood restoration) the agreements provided an estimated timetable for their fulfilment. The Parties agreed for IPAM to monitor their implementation.

After the signing of the Agreements, the Case 2021/01 was transferred to the Problem-Solving Monitoring stage for IPAM to monitor the implementation of the Agreements reached by Parties as per an agreed Monitoring Plan.

3. PROBLEM SOLVING MONITORING

As per paragraph 2.5 a) of the Project Accountability Policy, IPAM will monitor the implementation of any agreements reached by Parties through Problem Solving and will determine their completion when they fulfil the following criteria:

- i. The commitments made by the Parties in such agreements are being effectively carried out; and
- ii. Implementation timetables are being met.

Regarding the monitoring approach, the Project Accountability Policy specifies that in its monitoring activities, IPAM will:

- Consult with the Requesters, the Client, Bank management and other relevant stakeholders.
- Consider Project documentation, documentation submitted by the Requesters (or their Representatives, if any), the Client and publicly available information.
- Undertake a site visit to the Project area, if deemed necessary by IPAM; and
- Engage consultants on specific technical matters, if deemed necessary by IPAM.

IPAM will issue bi-annual Monitoring Reports to describe on-going monitoring activities and to provide updates on the status of each Problem-Solving agreement implementation, until IPAM determines that full implementation has been reached.

3.1. Monitoring Activities

The second monitoring report covers the period from January to June 2024. During this period IPAM undertook the following activities:

- Engagement with the Parties in virtual meetings and via email to seek inputs on progress made in the implementation of the Problem-Solving Agreements;
- · Review of documents; and
- Two monitoring visits to Serbia in February and March 2024.

Additionally, as informed in the first monitoring report, IPAM decided to hire a local consultant to support the implementation of some of the agreed actions that were experiencing delays and limitations. The local monitor and IPAM staff have been in contact with the Requesters to ensure they have all the information needed to enroll in trainings and help in registration.

During the monitoring visits, IPAM visited some of the Requesters to verify that in-kind furnishings had been received as reported. The team also met with the vocational training provider to clarify scope, timeframe, and type of trainings available to the requesters.

The Parties have informed IPAM of the challenges faced due to the change in public administration officials in the City of Belgrade and the Municipality of Vladimirci, which have delayed the implementation of several actions under the responsibility of these two local governments.

Once the new administration officials took office, IPAM renewed its engagement with them to expedite the fulfilment of the commitments made under the Problem-Solving Agreements.

3.2. STATUS OF AGREEMENTS' IMPLEMENTATION

As per the agreed Monitoring plan, **14 actions were due to be completed in Belgrade, Vladimirci and Šabac** by the end of June 2024. By the end of the monitoring period, **10 actions have been completed** and **four remain pending**.

Belgrade – six actions have been completed by the end of June 2024, out of eight due for completion.

Sustainable Housing. This was an outstanding action from the first monitoring period. One Requester's social housing agreements required amendment. The document has now been amended. **This action is now completed and closed.**

Furniture and household equipment. This was an outstanding action from the first monitoring period. One requester had not received the furniture donation as the person was absent on the delivery date. The Requester has now received the furniture. **This action is now completed and closed**.

Access to social services - IPAM confirmed through the work of the Local Monitor that all eligible Requesters can access their social benefits, including two families that were facing issues recently. **This action is now completed and closed.**

Access to free meals - During regular monthly visits to families, the Local Monitor was informed that the Requesters are aware that they can access free meals but are not taking advantage of it. As an ongoing action IPAM will continue monitoring it until December 2024.

Education and Training opportunities - Requesters have been provided with types of training covered and how to register. Additionally, the Local Monitor presented to Requesters information on how to access adult education. He also offered his support in the enrolment process, but there has been no expression of interest to date. **This action is now completed and closed.**

Jobs and income opportunities - During this reporting period, the Client has continued to offer employment opportunites at Vinca landfill. In May 2024 the Local Monitor engaged with the City of Belgrade who confirmed availability of jobs with the Belgrade Public Utility Company but haven't sent a formal job invitation to Requesters during this reporting period. The City of Belgrade committed to repeat the job invitation to Requesters. As an ongoing action IPAM will continue monitoring it until completed.

Access to utilities – All utility debts from the period December 2018 to December 2022 have been paid and properly registered. This action is now completed and closed.

Some requesters' utility bills appear to be in arrears for two reasons:

- 1. Incorrect charging of enforcement costs. IPAM is engaging with relevant service providers to correct this.
- 2. Most households have incurred non-payment of utilities from January 2023 onwards. IPAM through the local monitor will engage with Requesters to encourage them to pay as they would otherwise lose some of the reduced utility rates.

IPAM will continue monitoring this action until December 2024.

Monthly visits to Requesters' houses – This was a responsibility that the City of Belgrade adopted in the agreements which has not been fulfilled. The Local Monitor hired by IPAM has taken over this responsibility and is visiting the households monthly. As an ongoing action IPAM will continue monitoring it until December 2024.

Vladimirci - two actions have been completed by the end of June 2024, out of four due for completion.

Sustainable housing – In May 2023 the five families resettled to Vladimirci moved to the newly built houses. External porches have been built to four out of five houses to allow for sufficient living space. However, the porches have not been closed as agreed due to a contractual dispute. This was an outstanding action from the first monitoring period. **IPAM will continue engaging with Parties to enquire if this action could be completed.**

Access to social services - IPAM confirmed through the work of the Local Monitor that all eligible Requesters can access their social benefits. As an ongoing action IPAM will continue monitoring it until December 2024.

Access to free meals - During regular monthly visits to families, IPAM Local Monitor was informed that the Requesters can access free meals. As an ongoing action IPAM will continue monitoring it until December 2024.

Access to utilities – No utility bills have been issued to date. IPAM is engaging the authorities to ensure that this is corrected. As an ongoing action IPAM will continue monitoring it until December 2024.

Education and training opportunities – Requesters have been provided with types of training covered and how to register. Additionally, the Local Monitor presented to Requesters information on how to access adult education. He also offered his support in the enrolment process, but there has been no expression of interest to date. **This action is now completed and closed.**

Jobs and income opportunities - Requesters informed IPAM Local Monitor that they continue being engaged in seasonal and informal jobs and are not interested in accepting formal employment. IPAM will encourage the Municipality to repeat the job offer. As an ongoing action IPAM will continue monitoring it until completed.

Monthly visits to Requesters' houses - This was a responsibility that the Municipality of Vladimirci adopted in the agreements which has not been fulfilled. The Local Monitor hired by IPAM has taken over this responsibility and is visiting the households monthly. As an ongoing action IPAM will continue monitoring it until December 2024.

Šabac - the two actions due for this period have been completed.

IPAM received a progress report from the City of Šabac, who has consistently shown commitment and capacity to implement the agreed actions. In addition, the Requesters are comfortable contacting them when needed.

Access to utilities and payments – the three families from Šabac have incurred some debts on electricity and are repaying the debts in monthly instalments. As an ongoing action IPAM will continue monitoring it until December 2024.

Access to social services - All Requesters can access social benefits and emergency financial assistance. As an ongoing action IPAM will continue monitoring it until December 2024.

Access to free meals - Requesters can access free meals which are being delivered to their home address. As an ongoing action IPAM will continue monitoring it until December 2024.

Education and training opportunities - Requesters have been provided with types of trainings covered and how to register. **This action is now completed and closed.**

Jobs and income opportunities – All Requesters from Šabac are employed, some of them are employed at the Regional Landfill and the Public Utility Company from Šabac. They earn monthly incomes at the minimum wage level and have their travel expenses reimbursed. Other Requesters sustain themselves through informal day labour. This action is now completed and closed.

Monthly visits to Requesters' houses - The City of Šabac has been in constant communication with Requesters providing support and addressing social concerns as per their competences. As an ongoing action IPAM will continue monitoring it until December 2024.

4. CONCLUSION

During this period, the Parties have implemented 10 out of 14 actions. During the next monitoring period, IPAM will follow up on the four actions outstanding from the current monitoring period and the additional 19 that are due for completion by end of December 2024. Of relevance of this period has been the hiring of a local monitor to support the implementation and the renewed engagement with local administration officials from City of Belgrade and Vladimirci.

This report will be disclosed in the IPAM case registry under web file <u>Case 2021/01</u> in both English and Serbian, after submitting it to the EBRD Board of Directors and the President for information. The third Problem Solving Monitoring Report will cover the period July - December 2024 and is expected to be issued in January 2025.