



European Bank
for Reconstruction and Development

Independent
Project
Accountability
Mechanism

Compliance Assessment Report High Speed Rail Belgrade to Niš Case 2025/01

June 2026

The **Independent Project Accountability Mechanism (IPAM)** is the project grievance mechanism of the EBRD. It reviews environmental, social, and Project disclosure-related concerns raised by Project-affected people and civil society organisations. IPAM can address concerns through two avenues: i) Problem-solving, which supports dialogue between Requesters and Clients without attributing blame or fault; or ii) Compliance, which determines whether the EBRD has complied with its Environmental and Social Policy and Access to Information Policy in relation to the Project.

For information about IPAM, please contact us at ipam@ebrd.com or visit the [IPAM webpage](#).

Contact information

The Independent Project Accountability Mechanism (IPAM)
European Bank for Reconstruction and Development
Five Bank Street,
London
E14 4BG

Telephone: +44 (0)20 7338 6000

Email: ipam@ebrd.com

How to submit a complaint to the IPAM

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

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

Table of contents

Acknowledgements	4
List of abbreviations	5
Executive summary	6
1. The Case and processing to date	8
1.1 The Request	8
1.2 The Project	9
1.3 Processing to date	11
2. EBRD Management response	13
3. Compliance Assessment findings	15
3.1 Background	15
3.2 Contextual landscape	17
3.3 Project timeline	19
3.4 Linkage of alleged harms with the Project and indications of non-compliance by EBRD	20
4. Conclusion and next steps	23
Annex I. Bibliography	24

Acknowledgements

The Independent Project Accountability Mechanism (IPAM) would like to thank the Requesters, EBRD Management and the Client for their support, clarifications and cooperation during the Compliance Assessment stage and in the preparation of this Report.

List of abbreviations

AIP	Access to Information Policy
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESP	EBRD Environmental and Social Policy (2019)
EU	European Union
HSR	High-Speed Rail
IPAM	Independent Project Accountability Mechanism
km	Kilometre
MCA	Multi-Criteria Analysis
MoCTI	Ministry of Construction, Transport and Infrastructure of Serbia
MoF	Ministry of Finance of Serbia
PAP	Project Accountability Policy
PIU	Project Implementation Unit
PPF9	Project Preparation Facility 9 (consortium of designers contracted by the Client)
PR	Performance Requirement
SEP	Stakeholder Engagement Plan
SRI	Serbian Railways Infrastructure (Client)

Executive summary

On 15 December 2024, residents organised as the “Citizens’ Group of Jagodina” (the Requesters), who considered themselves affected by the EBRD Project “High Speed Rail Belgrade to Niš” (OP ID 53136), submitted a complaint to the Independent Project Accountability Mechanism (IPAM), which was registered on 24 January 2025 as Case 2025/01. The Request concerned the then-planned railway alignment through the urban centre of Jagodina and alleged that the Project would increase the speed, frequency, and number of trains passing through the city, require fencing and the closure of level crossings and thereby create a more pronounced physical barrier between different parts of the city.

More specifically, the Requesters raised concerns relating to: (i) public safety risks, in particular the movement of freight trains carrying hazardous materials through a densely populated urban area; (ii) urban disruption and community severance resulting from the closure of a key level crossing and the installation of fencing and other railway infrastructure; (iii) resulting traffic and air-quality impacts; (iv) the possible devaluation of nearby properties; and (v) inadequate stakeholder engagement and insufficient consideration of an alternative route outside the city centre, which the Requesters considered capable of avoiding the alleged harms.

The Project is a sovereign loan of up to EUR 550 million to the Republic of Serbia, co-financed by the European Investment Bank and supported by European Union investment grants, for the modernisation and upgrade of approximately 230 km of the Belgrade–Niš railway corridor. The Request relates to Tranche 3 of the Project, covering the Velika Plana–Paraćin section, within which Jagodina is located. At the time of this Report, the tranche-specific Environmental and Social Impact Assessment for that section remains under preparation.

The purpose of the Compliance Assessment was to determine whether the Case met the criteria for initiating a Compliance Review under the Project Accountability Policy, namely whether the Project may have caused, or may be likely to cause, direct or indirect and material harm, and whether there was an indication of non-compliance by the Bank with the applicable Environmental and Social Policy or Access to Information Policy. In examining those questions, IPAM reviewed the allegations in the Request, the Project documentation, Management’s response, information gathered during the mission and consultations with the Parties, and later developments affecting the Project.

IPAM’s preliminary findings indicated that, if the initial alignment through Jagodina had remained under consideration, the issues raised in the Request would have warranted a Compliance Review. In particular, IPAM identified preliminary indications of non-compliance by the Bank with relevant provisions of the 2019 Environmental and Social Policy, especially PR1 on the assessment and management of environmental and social risks and impacts, and PR10 on information disclosure and stakeholder engagement. These preliminary findings related in particular to the assessment of urban disruption, as well as to the adequacy and timing of stakeholder engagement concerning the alignment through Jagodina.

During the Compliance Assessment, however, IPAM was informed of a material change in the Project. On 26 March 2026, the Serbian authorities decided to relocate the railway alignment outside the urban area of Jagodina, and that decision was subsequently confirmed to IPAM by both Bank Management and Client.

As the Request was directed at the impacts associated with the initial alignment through the city, IPAM concluded that the specific harms alleged by the Requesters were no longer expected to materialise under the Project as currently envisaged. In light of these anticipated modifications, the issues raised in the Request no longer appear to apply to the Project configuration now under consideration.

Accordingly, although IPAM's preliminary findings indicate that Case 2025/01 would otherwise have met the criteria to proceed to a Compliance Review in relation to the initial alignment, IPAM concludes that the Case does not meet the requirements for initiating a Compliance Review in respect of the Project as currently envisaged and recommends that the Board approve closure of the Case.

This Compliance Assessment Report will be shared with the relevant parties and published in the Case Registry following the Board's non-objection. Upon disclosure of the Report, processing of the Case will be formally concluded. IPAM notes, however, that the Requesters remain entitled to submit a new request should concerns arise in relation to the Project as redesigned, or should the decision to relocate the alignment be reversed.

1. The Case and processing to date

1.1 The Request

On 15 December 2024, IPAM received a Request from the Citizens' Group of Jagodina,¹ Serbia (the Requesters) concerning the [High Speed Rail Belgrade to Nis Project \(OP ID 53136\)](#), specifically in relation to Tranche 3 of the Project. One key concern was that the freight transportation of hazardous materials at high speeds through the densely populated city centre would pose high risks to the residents of the city. Also, the selected railway alignment required closure of the existing level crossing that connects the eastern and western parts of Jagodina, thereby restricting access to essential services located in the west, increasing travel times, and causing traffic congestion and associated air pollution. Moreover, the fencing around the new railway was expected to disrupt the physical and visual connectivity between the two sides of the city of Jagodina, leading to community severance, as well as resulting in devaluation of the nearby properties.

In addition, the Requesters claimed that the consultation process to determine the railway alignment was not adequate and, despite their repeated attempts to engage with the Ministry of Construction, Transport and Infrastructure (MoCTI, the responsible line Ministry for the Project) and Serbian Railways Infrastructure (SRI, the Beneficiary and Project Entity, hereafter referred as the Client), their concerns had not been adequately addressed. Ultimately, they requested that the Client reconsider the proposed alignment and provide an alternative route for consideration.

The issues raised and specific allegations (in relation to the initial alignment through the city),² are summarised in Table 1.

Table 1. Issues raised in the Request and related Performance Requirements

Issues raised	Allegations	Related PRs
Safety concerns	Increased public safety risk due to a potential release of hazardous substances should there be railway accidents.	PR4
Urban disruption	Reduced physical and visual connectivity between the eastern and western parts of the city due to the closure of the existing level crossing and installation of fencing and noise barriers. As a result, increased traffic and travel times between the eastern and western parts of the city for the residents, as well as for vehicles travelling to Jagodina from the surrounding settlements.	PR1
Risk of reduced property values	Local businesses and residents in the eastern part of Jagodina would experience property devaluation and higher living costs due to aforementioned urban disruption. No mitigation or compensation measures had been offered or discussed at the time the Request was made.	PR1
Air pollution	Impacts on air quality due to increases in traffic (following the aforementioned urban disruption).	PR4
Lack of meaningful consultation	No consultation adequately addressing the concerns raised by the Requesters at the planning and design stage.	PR10

¹ Informal civic group formed on 26 December 2024 by declaration signed by 10 individuals (among whom the Requesters) and notarised to confirm the authenticity of their signatures. Its purpose is "to protect the interests of over 2,000 signatories of a petition requesting relocation of the railway to the outskirts of the city; over 50 businesses that have formally requested the same because the project endangers their operations; and all residents of Jagodina and surrounding villages who oppose the construction of a high-speed rail line through the city centre".

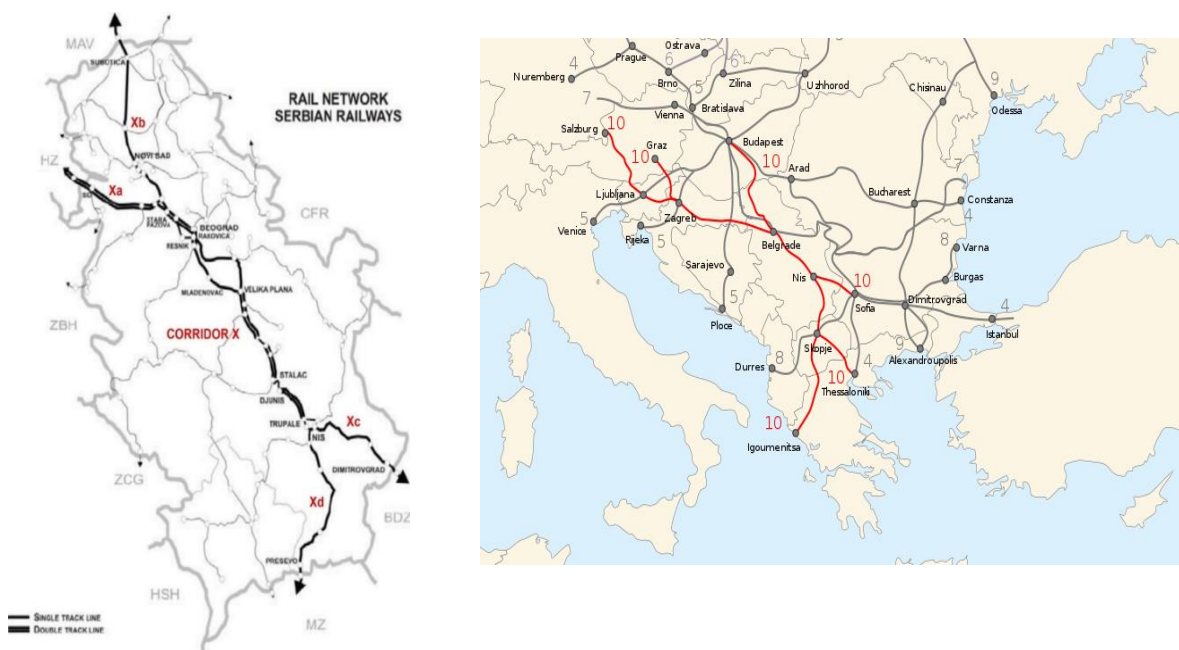
² Note: all allegations relate to the railway alignment as originally planned by the Client, which was to pass through the urban centre of Jagodina. As explained in Section 1.2 below, on 26 March 2026, the Client decided to relocate the alignment outside the city centre of Jagodina.

1.2 The Project

The tranchised sovereign EBRD loan of up to EUR 550 million in support of the [High Speed Rail Belgrade to Nis Project \(OP ID 53136\)](#) to the Republic of Serbia was approved on 30 November 2022 by the Board of Directors and classified as a Category A project under the 2019 Environmental and Social Policy. The MoCTI acts as the responsible line Ministry for the Project, while SRI, fully owned by the Republic of Serbia and represented by the Ministry of Finance (MoF), serves as both the Client and the Beneficiary, overseeing management, construction, maintenance, and operation of the railway network. The Project is further supported by a EUR 1.1 billion framework loan from the European Investment Bank (EIB) and a EUR 598 million grant from the European Union (EU) via the Western Balkans Investment Framework.

The Project finances the rehabilitation and upgrade of ca. 230 km-long railway infrastructure of Corridor X in Serbia, the railway line connecting Belgrade to Niš, with the aim to increase speed to up to 200 km/h and enhance passenger and freight services. Corridor X is an axis of national importance connecting Western and Central Europe with Greece, Turkey and the Middle East.

Figure 1: Map of Corridor X (to the right) and its section in Serbia (to the left)



Source: Non-technical summary

The loan is structured in six tranches to finance each one of the main Project sections: (i) the first tranche of up to EUR 60 million was committed at signing to finance the works of the Stalac-Djunis section; while (ii) five tranches (2 to 6), for a total amount of up to EUR 490 million, are yet to be committed at the Bank's discretion conditional – among other things - on satisfactory completion of the technical and Environmental and Social Due Diligence (ESDD).³ Tranche 3, shown in the table below, refers to the section relevant to the present Case - hereinafter referred to as the “section of concern”.

³ After approval by the Board of the first Tranche, separate Board approval on a no-objection basis will be sought for the commitment of each one of the initially uncommitted Tranches.

Table 2. Sections covered by respective tranches of the loan

Tranche	Amount (EUR)	Section
Tranche 1	Up to 60 million	Stalać – Đunis (the only tranche approved unconditionally; works contract awarded in November 2025, though construction has not yet commenced)
Tranche 2	Up to 140 million	Belgrade Centre – Velika Plana
Tranche 3	Up to 85 million	Velika Plana – Paraćin (section relevant to the present Case).
Tranche 4	Up to 100 million	Paraćin – Međurovo
Tranche 5	Up to 55 million	Belgrade and Niš railway nodes
Tranche 6	Up to 110 million	Signalling / telecommunications contract for all subsections

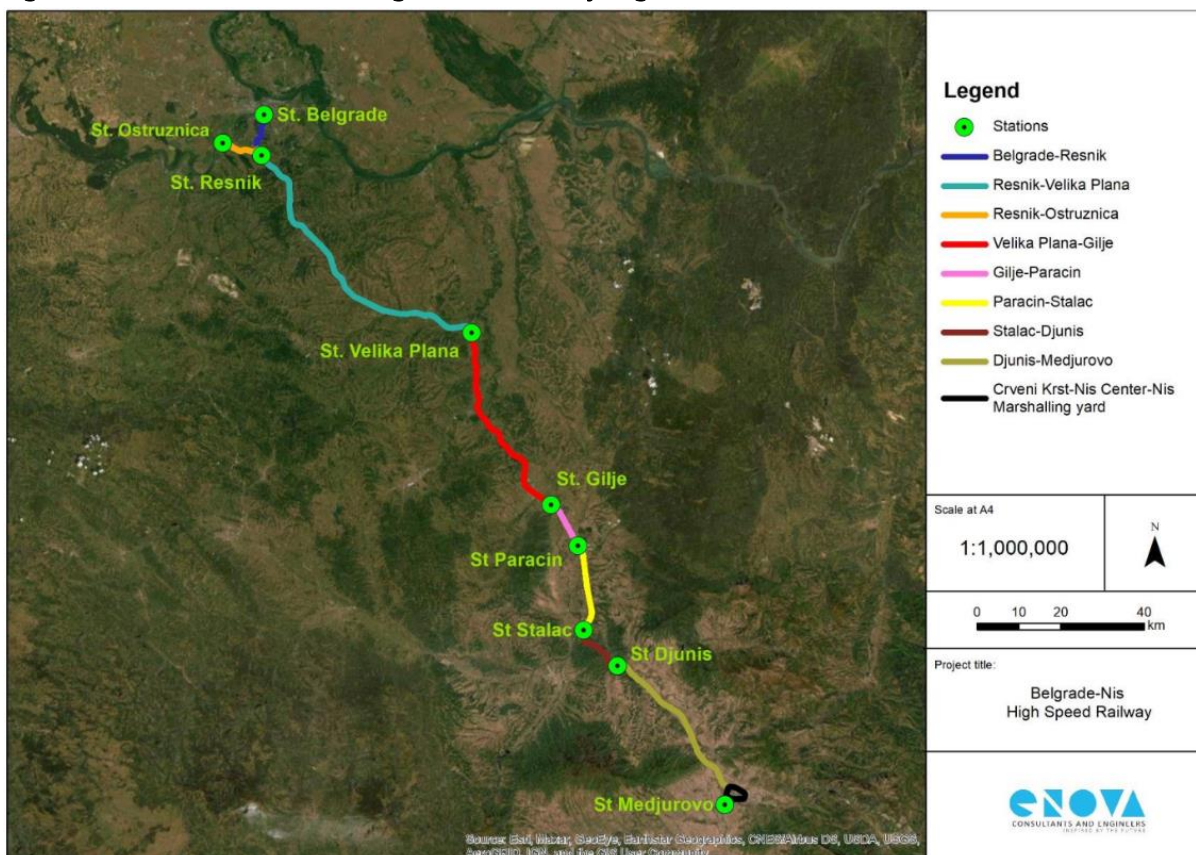
Source: Project Summary Document.

According to the Project Summary Document, the Bank’s ESDD for the Project was conducted with the support of independent consultants and included documentation reviews and site visits. The E&S disclosure package included all sections from Belgrade to Niš based on the conceptual design and more detailed information on the Stalac-Djunis section for which the preliminary design was available. For the Corridor, the disclosure package included an E&S Scoping report, an Inception Report, a Corridor E&S Assessment (high-level ESIA), a Resettlement Policy Framework, a Stakeholder Engagement Plan (SEP), a Non-Technical Summary (NTS), and an Environmental and Social Action Plan (ESAP).

For the Board to approve committing of the five remaining tranches, each tranche will require the preparation and disclosure of the tranche-specific Environmental and Social Impact Assessment (ESIA). These activities are expected to run in parallel with the completion of the preliminary design for the respective subsections. The ESIA will complement, and where necessary, update, the findings of the Corridor E&S Assessment. The ESIA for the section of concern is still in preparation at the time of this Report (cf. Section 2. EBRD Management Response).

Figure 2 below presents the Project map. Jagodina is located within the section in red.

Figure 2: Subsections on the Belgrade-Nis railway alignment



Source: Corridor E&S Assessment

1.3 Processing to date

The Request was registered by IPAM on 24 January 2025 as [Case 2025/01](#) as it met the criteria for Registration established in Section 2.2 (b) of the 2019 Project Accountability Policy (PAP), and none of the exclusions set out in Section 2.2 (c) of the PAP applied at that stage. The registration of a Request is an administrative step establishing that the following criteria have been met:

- all mandatory information has been provided;
- issues raised relate to specific obligations of the Bank under the Environmental and Social Policy (ESP) or the project-specific provisions of the Access to Information Policy (AIP);
- it relates to a Project that the Bank has approved; and
- the Request submitted is related to an active project or is submitted within 24 months of the date in which the Bank has ceased to have a financial interest in the project.

Immediately after registration, the Request was transferred to the Assessment Stage, as established in para. 2.3 of the 2019 (PAP), to:

- develop a clear understanding of the issues raised in the Request.
- discuss the Problem Solving and Compliance functions with the Parties, their scope, and outcomes.
- assess the Parties' willingness to engage in each function.
- consider the updated status of other grievance resolution efforts, if applicable; and
- make a final determination with three alternative outcomes:
 - Case could proceed to Problem Solving, based on the agreement of the Requesters and the Client; or
 - Case could be transferred to Compliance Assessment if no agreement to pursue Problem Solving is reached and the Requesters would have expressly asked for this; or
 - Case could be closed.

IPAM requested a formal Management response that was received on 21 February 2025. The [Assessment Report](#) was issued on 14 July 2025 documenting the decision to transfer the Case for consideration under the Compliance function as Problem Solving was not feasible.

Upon receipt of the Case, the Compliance team initiated the Compliance Assessment process which has the objective of determining whether a Request is eligible for a Compliance Review. The PAP establishes two criteria that a Case must meet to initiate an investigation:

- i. upon preliminary consideration, it appears that the Project may have caused, or may be likely to cause, direct or indirect and material harm to the Requesters (or, if different, the relevant Project-affected People); and
- ii. there is an indication that the Bank may not have complied with a provision of the ESP (including any provision requiring the Bank to monitor Client commitments); or the Project-specific provisions of the AIP, in force at the time of Project approval.

The Compliance Assessment stage has a standard duration of 60 business days from the date of issuance of the Assessment Report. This period may be extended to ensure robust processing or if translation of documents is required. At the end of this stage, a Compliance Assessment Report is prepared containing the findings made by IPAM and its determination on the eligibility of the Case from within two alternative outcomes:

- recommend proceeding to a Compliance Review, having determined that the criteria set out in para. 2.6 (b) are met. In this case, the Compliance Assessment Report is submitted for information to the Board and the President with Terms of Reference for a compliance review.

- recommend closing the case, having determined that the criteria set out in para. 2.6 (b) are not met. In this Case, the Compliance Assessment Report is submitted to the Board for approval on a no objection basis.

An IPAM mission was conducted from 1 to 3 February 2026, during which the IPAM team visited the Project site, met with the Requesters and the Client, including the consultants (also referred to as “PPF9”⁴ in this Report). IPAM also met the representatives of the Mayor’s Office of Jagodina.

In addition to these in-person meetings, the Compliance team held several virtual calls with Requesters, Client, Bank Management, and consultants; as well as has reviewed relevant documentation provided by the Parties.

As IPAM prepared to circulate this Compliance Assessment Report with the determination that it met the criteria to initiate a Compliance Review, there was a material change in the Project.

On 7 April 2026, the Requesters informed IPAM of the following developments:

- On 25 March 2026, during a meeting between the Requesters, representatives of the Jagodina municipality, and the MoCTI - meeting convened and chaired by MoCTI - the Requesters were informed that a decision had been taken to relocate the railway alignment outside the urban area of Jagodina; and
- On 26 March 2026, this decision was formally adopted by the Project’s Interministerial Working Group.⁵

IPAM reached out to Bank Management, seeking official confirmation, who in turn, on 16 April 2026, shared the minutes of the March 26th and confirmed to IPAM that the Client had formally communicated to the Working Group that a final decision had been made at the level of the Republic of Serbia to reroute the railway line outside the urban area of the city of Jagodina. On 14 May 2026, the Client sent a communication to IPAM reiterating the decision.

⁴ Project Preparation Facility 9 (PPF9) refers to a consortium of consultants contracted by the Client to prepare technical, and feasibility documentation for three sections (including the section of concern) of the Belgrade–Niš corridor. Their scope of work includes technical, and feasibility documentation, as well as ESIA according to EBRD requirements.

⁵ Group established in December 2025 to improve Project coordination. Comprises more than 50 members, including representatives from SRI, MoCTI, MoF, the Ministry of Environmental Protection, municipalities along the rail corridor, relevant public utilities etc; international financial institutions providing funding for the Project participate as observers.

2. EBRD Management response

Management response to the allegations raised in the Request were submitted on 21 February 2025 (considering the initial alignment only). Management stated that the Client was, at that time, finalising an alternatives assessment for the Jagodina area, including evaluation of an alignment avoiding Jagodina, and that the alternatives assessment would form part of the ESIA for Tranche 3. Management indicated that the conclusions of the alternatives assessment would be discussed with citizens and then disclosed through the ESIA, while noting its understanding that - at the time of the response - the Client preferred to retain the “initial alignment” (through the city centre of Jagodina).

Management further stated that the ESIA would assess and present mitigation measures for key topics raised in the Request, considering traffic and travel times (including consideration of an additional vehicle crossing near the level crossing proposed for closure), noise and the visual characteristics of potential noise barrier options, and safety (including fencing, grade separation/closure of level crossings, and station access arrangements). On property values, Management noted that effects were context-dependent and could vary (i.e. either decrease as a consequence of nuisances or increase due to “rail-access premium” effect), and that pre-implementation analysis could therefore not be conclusive. Management did not provide specific comments on air quality.

On stakeholder engagement, Management stated that it became aware of the Requesters’ concerns in June 2024 and, together with the EIB, had been engaging with the Client and encouraging continued dialogue. Management stated that the Client met with the Requesters in July and September 2024 to explain the initial alignment, share preliminary evaluation of an alternative outside of city centre (and why it was not preferred), and present potential solutions related to traffic, connectivity and station underpass security. Management noted the Requesters had remained dissatisfied and continued to request a change in alignment. Management also stated that, following the November 2024 Novi Sad accident, changes in Client/government counterparts temporarily limited engagement, with new appointments occurring in late 2024 / early 2025.

In its proposed actions, Management asked IPAM to consider holding the process off until the ESIA is disclosed and further engagement has taken place to present the conclusions of the alternatives assessment, any final conclusions on alternative solutions associated with the initial alignment (if it were to be retained), and the mitigation measures to be outlined in the ESIA. Management also stated that the Client should engage more broadly with the wider population of Jagodina to verify the representativeness of the Requesters’ views, as well as seek views from other residents.

Management’s written responses to the topics raised by the Requesters in relation to the initial alignment are summarised below in **Table 3**.

Table 3: Summary of Management's response to issues raised in the Request

Issues raised in the Request	Management response
Safety concerns	<ul style="list-style-type: none"> The Project, as per initial alignment, was expected to deliver net safety benefits, including through fencing and the closure of level crossings. Detailed assessment of the Project's safety impacts and mitigation measures were to be further considered in the ESIA process (which was anticipated to be ready for disclosure during the first half of 2025).
Urban disruption	<ul style="list-style-type: none"> The Client had assessed alignment variants with the objective of retaining the initially proposed route through Jagodina. An alternatives assessment, including an option avoiding the urban centre, had been envisaged to be finalised and disclosed as part of the ESIA, together with further stakeholder consultation. The ESIA would also present the analysis of the Project's traffic impacts, including on travel times, and corresponding mitigation measures. An additional vehicle crossing in proximity to the proposed closed crossing would be considered by the Client. The ESIA would also present the analysis of the Project's noise impacts and mitigation measures, including the visual impacts of noise barriers, with illustrative barrier options to be disclosed, discussed with stakeholders, and further refined at later design stages.
Risk of reduced property values	<ul style="list-style-type: none"> Potential impacts on property values were complex and could not be conclusively determined prior to Project implementation. While proximity to the railway could negatively affect values due to nuisance impacts from more frequent and higher-speed trains, property values could also increase as a result of improved rail access, the so called "rail-access premium". The installation of noise barriers to protect existing properties could also be perceived as a further positive impact.
Air pollution	<ul style="list-style-type: none"> No topic-specific comments were provided.
Lack of meaningful consultation	<ul style="list-style-type: none"> Together with EIB, Management had engaged with the Client to understand the concerns raised by the Requesters and how these had been considered in the alignment selection and ESIA preparation. The Client subsequently met the Requesters in July and September 2024 to explain the initial alignment, assess a proposed alternative, and discuss potential measures to address traffic, connectivity, and security concerns. While these measures remained under consideration, the Requesters remained dissatisfied and continued to seek a change to the alignment.

Source: Management Response (February 2025)

3. Compliance Assessment findings

This section compiles the preliminary findings made by IPAM during the Compliance Assessment stage for Case 2025/01 to determine whether the Case met the PAP criteria to undertake a Compliance Review. In this appraisal due consideration has been given to the decision made in March 2026 by the Serbian authorities to change the alignment of the railway for the Jagodina section.

Following the approach established in the PAP, IPAM appraised Case 2025/01, in relation to the issues raised in the Request, considering documentation and information shared by the Parties, and other project-related and publicly available information gathered from the moment of registration to the date of completion of this Compliance Assessment Report (inclusive of the notifications received in April-May 2026).

It should be noted that in light of the anticipated material changes to the Project, the issues raised in the Request no longer appeared to be relevant to the Project as currently defined, thereby affecting their continued consideration within IPAM's mandate.

For clarity, the railway alignment as originally planned by the Client (going through the city of Jagodina), and in relation to which the Requesters alleged potential harms, is hereinafter referred to as the "initial alignment" (see Figure 3 below).

Figure 3: Initial alignment (current railroad) in the Jagodina urban centre



Source: Google Earth

3.1 Background

The Project consists of the rehabilitation and upgrade of circa 230 km-long railway line connecting Belgrade to Niš (part of Corridor X) with the aim to increase speed while enhancing quality of passenger and freight rail services. The entire Project will involve a combination of upgrading the design speed to up to 160/180/200 km/h (depending on the section) and doubling of single tracks. The reconstruction and development of Corridor X in Serbia is recognised as one of the strategic priorities in both the previous Spatial Plan of RoS (2010-2020) and the new Draft Spatial Plan (2021-2035).

The Project entails linear infrastructure development and was classified as Category A by EBRD. This means that a comprehensive Environmental and Social Impact Assessment (ESIA) needs to be carried

out for each subsection. As preliminary designs and ESIA's for each subsection are to be developed after Project approval, the EBRD engaged consultancy firm ENOVA to carry out a Corridor Environmental and Social (E&S) Assessment and review of associated documents, to be followed by a public disclosure period of minimum 120 days for the purpose of Board approval. The Environmental and Social Action Plan indicates actions which need to be completed for remaining sub-sections, including those to be addressed in the ESIA's.

The Pre-Feasibility Study (2022) for the Project was prepared by PPF9 Consultants, who are also responsible for the preparation of spatial and technical documentation, as well as ESIA's for the Corridor, specifically for three sections: Section 1: Resnik – Velika Plana, Section 2: Velika Plana – Paraćin (section of concern for this Case), and Section 3: Paraćin – Trupale (excluding Stalać - Đunis).

The Project-wide ESIA package⁶ was disclosed in July 2022 noting that the Belgrade-Niš line was still in the design phase, with the Preliminary Design expected to be completed in early 2023. Within this package, two documents provided conflicting information regarding the alignment.

On the one hand, the Inception Report emphasised that the Project-wide assessment could not precisely identify impacts on local communities as there was no Preliminary Design for the Corridor, and that a final decision about the stations/halts to be closed, had not been made. **Table 4** provides an overview of the existing and planned railway in section of concern with ancillary structures:

Table 4. Key technical characteristics of the various railway sections

Characteristics	Existing Railway	Planned Railway
Design speed (maximum)	120 km/h	160 km/h – 200 km/h
Max. permitted speed	70/50 km/h Velika Plana-Markovac 100 km/h Markovac-Lapovo 50/70 km/h Lapovo-Bagrđan 50/100 km/h Bagrđan-Jagodina 120 km/h Jagodina-Gilje	200 km/h Velika Plana-Lapovo 160 km/h Lapovo-Bagrđan 200 km/h Bagrđan-Gilje
Stopping places	Velika Plana (Station) Staro Selo (Halt) Novo Selo (Halt) Markovac (Station) Lapovo Varos (Halt) Lapovo (Station) Brzan (Halt) Milosevo (Halt) Bagrđan (Station) Laniste (Halt) Bukovce (Halt) Jagodina (Station) Gilje (Halt)	Velika Plana (Station) Markovac (Station) Lapovo Varos (Halt) Lapovo (Station) Bagrđan (Station) Jagodina (Station)
Level crossings	23	--
Fencing	No fencing	Fencing

Source: Inception Report (2022)

On the other hand, the Non-Technical Summary (NTS) reported that the existing and planned railway lines would remain within the city of Jagodina.⁷

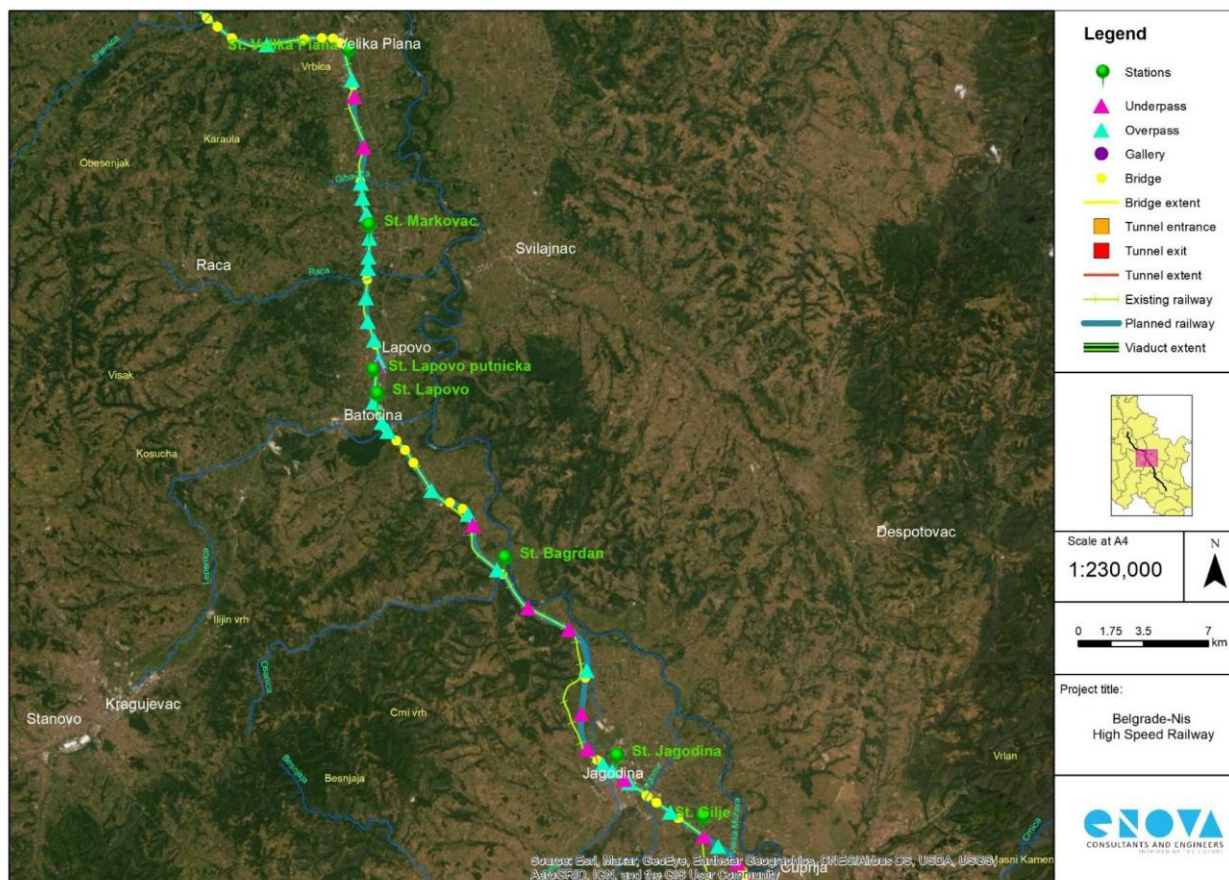
During the public disclosure period (May 2024) for Spatial-Plan approval process, both Requesters and municipal representatives of Jagodina raised concerns regarding the proposed initial alignment and its potential environmental and social impacts. In June 2024, the Requesters reiterated these concerns in

⁶ The Project-wide ESIA disclosure package includes the E&S scoping report, the resettlement policy framework, the inception report, non-technical summary, environmental and social assessment and environmental social action plan. The package is available in English and Serbian at <https://www.ebrd.com/home/work-with-us/projects/psd/53136.html#customtab-af567d10f0-item-c92c8683b9-tab>

⁷ This is the basis for the concerns raised in Case 2025/01.

letters addressed to MoCTI, EBRD and other stakeholders, accompanied by a petition and a proposed alternative alignment along the nearby motorway.

Figure 4: Existing and planned railway with ancillary structures for the section of concern



Source: Inception Report

Management also informed IPAM that the Client held meetings with the Requesters in July and September 2024. In these meetings, the Client presented the rationale for retaining the initial alignment, shared preliminary analysis of the proposed alternatives, and discussed additional measures to address their concerns related to access, traffic, and safety. In October 2024, the Spatial Plan confirming the initial alignment was formally adopted.

In addition to reviewing Management's Response and Project documents, IPAM held several meetings with the relevant Bank staff and the Client, where it learned that the preliminary design for Section of concern (Velika Plana–Paraćin - covering Tranche 3 and including the urban area of Jagodina) was initiated in late 2022 and was nearing completion in 2024.

3.2 Contextual landscape

Of relevance to the broader context in which this Project is being implemented is the collapse of the Novi Sad railway station canopy on 1 November 2024. The incident prompted significant institutional changes in the railway sector, including resignations at senior levels within administration, and the initiation of formal reviews of procedures and responsibilities within relevant authorities.

Some of the public officials responsible for the Project were either removed, submitted their resignation or were being investigated in connection with the Novi Sad incident. As a result, neither EBRD Management nor IPAM could engage with either SRI or the MoCTI for a period of time, thus leading to project development and case processing delays.

The Project Implementation Unit (PIU), initially formed after Project signing (2022), underwent repeated restructuring as well. During this period, responsibility for Project development temporarily shifted from SRI to the MoCTI, before returning to SRI. It is only in June 2025 that a new PIU team took office while the MoCTI continues to play a key role in oversight of all implementation steps.

In December 2025, an Interministerial Working Group was established to improve Project coordination, consisting of more than 50 members. These include representatives from SRI, MoCTI, MoF, the Ministry of Environmental Protection, municipalities along the rail corridor, and relevant public utilities.

International financial institutions providing funding for the Project also participate as observers.⁸ This Working Group met on 26 March 2026, when its members were informed that the Serbian authorities had made the decision to reroute the railway line outside the urban area of the city of Jagodina.

⁸ See Decision of Government of Serbia on "Inter-Ministerial Working Group for Railway Corridor X in the Republic of Serbia – section from Belgrade to Niš" dated 30 December 2025 (Official Gazette RS No. 120/2025) [here](#).

3.3 Project timeline

Table 5: Project timeline

Date	Activity
2020	
	Initial Spatial Plan adopted, envisaging modernisation of the Belgrade–Niš railway.
2022	
	Pre-Feasibility Study assesses 3 variants; all keep initial alignment through Jagodina.
Mar-Jun	Corridor Environmental and Social Due Diligence.
	Preliminary Design for section of concern begins; ESIA development starts in parallel.
July	Disclosure of Corridor E&S package (Inception report, ESMP, ESAP, SEP, NTS, Scoping Report)
30 Nov	Project approved as Category A under EBRD ESP 2019.
2023	
8 May	Meeting between MoCTI and Jagodina municipality.
May–Sept	Series of meetings between PPF9 and Municipality of Jagodina.
2024	
11 Mar – 16 Apr	Agency for Spatial Planning holds public consultations on Draft Amendments to Spatial Plan; three complaints related to Jagodina, including the Requesters', are submitted.
26 Apr	Complaints are reviewed at public session of the Agency for Spatial Planning in Jagodina. The three complaints and their proposals are rejected.
17 May	The Requesters submit a petition to the Agency for Spatial Planning requesting relocation of railway.
20 May	Agency for Spatial Planning adopts decisions on complaints in a closed session.
19 Jun	Jagodina Mayor's office/Requesters submit formal letter to MoCTI/PPF9 on alignment relocation.
20 Jun	Requesters approach IPAM and Civil Society Engagement Unit of EBRD flagging their concerns.
21 Jun	Agency for Spatial Planning publishes report on public consultations.
25 Jun	Management receives a letter from Requesters on concerns and proposed alternative alignments.
17 Jul	Public meeting in Jagodina Mayor's office on Requesters' petition to revise the initial alignment.
Jul – Oct	Client meets the Requesters on 2 occasions.
Aug	MoCTI issues formal response to the Requesters' concerns.
13 Aug	EBRD Civil Society Engagement Unit responds in writing to Requesters.
24 Oct	Government adopts updated Spatial Plan retaining initial alignment.
1 Nov	Novi Sad railway station incident.
15 Dec	Request received by IPAM.
Dec	Appointments of New Assistant Minister at MoCTI and new acting SRI General Manager & PIU Head.
2025	
24 Jan	Case registered by IPAM.
Early 2025	Project responsibility transferred from MoCTI to SRI.
May	Meeting between Requesters, MoCTI, and SRI.
Jun	PIU team fully established.
July	IPAM Assessment Report disclosed and Case transferred to Compliance function.
Aug	Meeting between Requesters, MoCTI, and SRI.
Nov	Conceptual Design for section of concern is finalised by PPF9 and submitted to SRI.
2026	
29 Jan	First meeting of the Interministerial Working Group.
1–3 Feb	IPAM mission to Jagodina.
26 Mar	Decision by the Client to re-route the alignment outside the Jagodina urban area.
7 Apr	Requesters notified IPAM of the decision made by the Client
14 May	Client sent IPAM written confirmation of the decision.

3.4 Linkage of alleged harms with the Project and indications of non-compliance by EBRD

This sub-section is aimed at assessing (i) whether the alleged harms are linked to the Project, and (ii) whether there are indications of non-compliance by the Bank with the Environmental and Social Policy (ESP) and the Access to Information Policy (AIP).

The allegations of potential harm raised by the Requesters were linked to the rehabilitation of the Belgrade–Niš railway along the initial alignment that went through the urban center of Jagodina. Given the decision by the Client to relocate the alignment outside the Jagodina urban centre, said potential harms are no longer expected to materialise. IPAM therefore finds that the first eligibility criterion under the PAP, namely, that the Project may have caused or be likely to cause direct or indirect and material harm, is not met.

IPAM's analysis in relation to the initial alignment identified that the issues raised in the Request refer to relevant provisions of the 2019 ESP, in particular, PR1 (Assessment and Management of Environmental and Social Risks and Impacts) and PR10 (Information Disclosure and Stakeholder Engagement).

Regarding urban disruption

The Requesters' claim of urban disruption under the initial alignment, comprised two distinct aspects:

- First, they expressed concern that the closure of the level crossing on Kapetana Koče Street would lead to traffic congestion (with ensuing air pollution), as well as increased travel times for residents on either side of the initial alignment;
- The second concern related to the profound physical separation of the city in two that would stem from a heightened railway, the fencing, and the installation of noise barriers. This would limit access for the residents in the east to key amenities concentrated on the western side of the city (hospitals, schools, etc). With reduced accessibility to these amenities, the residents on the eastern side of the initial alignment would also experience property devaluation.

The Corridor E&S Assessment does not assess the implications of permanently closing level crossings on urban mobility patterns, such as changes to circulation routes or traffic redistribution through existing or proposed underpasses and overpasses, nor does it provide location-specific analysis for affected urban areas.

During the project site visit, IPAM noted how the initial (and existing) alignment divides the city into two distinct sections. This separation would be further intensified by the installation of fencing as initially foreseen in the Project. Additionally, the closure of the Kapetana Koče Street level crossing, which the Client indicated was required by applicable traffic safety legislation, would contribute to this division. In response to community concerns, the Client had proposed certain mitigation measures, but no further detail was provided at the time of IPAM mission.

Figure 5: Kapetana Koce Street level crossing (subject to closure under the initial alignment)

Source: IPAM

The Client had also prepared a traffic analysis concluding that diverting vehicles from the Kapetana Koče Street crossing to the two existing overpasses would maintain acceptable Levels of Service under all tested scenarios and therefore would not significantly worsen overall traffic conditions in Jagodina. However, the analysis itself acknowledges that congestion could still occur - not because of the rerouted traffic, but due to the constrained geometry of the key signalised intersection. It then suggests that a future redesign of this intersection could address the problem.

With respect to the concerns related to noise barriers, IPAM notes that there appeared to be a misunderstanding between the Requesters and the Client. The Requesters believed that the upgraded railway would be on elevated ground, which, combined with noise barriers, would create an imposing visual barrier. However, the Client told IPAM during the mission that the initial alignment in this area would remain at current railway level. The Client also indicated that the height and design of the noise barriers could vary, and that options such as transparent panels combined with vegetation had been presented to the Requesters. According to the corridor-wide documentation reviewed by IPAM, the installation and design of noise barriers would be dependent on modelled noise levels.

Thus, the Project under the initial alignment appeared to be likely to generate physical urban disruption that would adversely impact the Requesters. Furthermore, while options were presented to IPAM, no definitive mitigation measures related to traffic congestion, visual and physical disruption between the two parts of the city, had been planned in detail.

Regarding lack of meaningful consultation

Another central concern raised by the Requesters related to the adequacy of the stakeholder engagement activities. The Requesters alleged that the consultations conducted by the Client in relation to the initial alignment were largely consultations in form only, consisting primarily of presentations rather than genuine two-way engagement. They stated that their concerns had not been taken seriously, particularly with regard to the comparative assessment of proposed alternative alignment. According to the Requesters, they were effectively informed of a *fait accompli* regarding the initial alignment, which they believe was selected by the Client without substantive consideration of their abovementioned concerns. As indicated in PR10 (Para.22), Category A projects require the client to carry out a formalised, participatory disclosure and consultation process leading to the client's incorporating into their decision-making process the views of the affected parties on matters that affect them directly. The PR10 (Para.20) also requires that the meaningful consultation begin early in the project planning process to gather initial views on the project proposal and inform project design, with the nature and frequency of engagement proportionate to, *inter alia*, the level of stakeholder interest.

While the Jagodina-specific Stakeholder Engagement Plan had not been disclosed yet, IPAM analysed the stakeholder engagement activities undertaken up to the point when the Client's decision to relocate the alignment was communicated to the Requesters (March 2026). During the development of the Preliminary Design, the Client had held a series of meetings with the Municipality of Jagodina between May and September 2023. According to the Client, the Municipality representatives attending those meetings (at least at that time) had not objected to the alignment passing through the city. However, the Requesters and other local community members had not been present at these meetings.

The Requesters formally raised their concerns with the Client on 17 May 2024, requesting amendments to the Spatial Plan through relocation of the initial alignment outside the city centre. On 19 June 2024, the Mayor of Jagodina and the Group of Citizens jointly submitted a formal request to the MoCTI and design team, seeking relocation of the alignment outside the urban area. Responses to these submissions were prepared by PPF9 in cooperation with the Ministry. The Bank was first informed of Requesters' concerns 20 June 2024, through a letter submitted to Bank's Civil Society Engagement Unit.

According to the Requesters, they were consulted by the Client on four separate occasions: in 2024 (July and September) and 2025 (May and August). The July 2024 meeting, held in the Jagodina City Assembly, focused on addressing complaints set out in the Petition submitted by the Group of Citizens. The meeting was reportedly attended by approximately 100 citizens, local government representatives, MoCTI, SRI, PPF9, the Requesters, and local media outlets. In September 2024, and in coordination with MoCTI, EBRD, and EIB, the Client held a series of meetings with the Requesters aimed at identifying mutually acceptable solutions. According to the Client, at the time, the consulting firm PPF9 presented the analysis of alternative alignment and the possible locations of the Jagodina station.

Another significant point raised by the Requesters was the timing of the Spatial Plan's adoption, which, at the time, approved the initial alignment. On 24 October 2024, the Government adopted the Spatial Plan for the section of concern, defining, among other things, the corridor coordinates and land use. According to the Requesters, this occurred on the same day that they were waiting for the MoCTI to schedule a meeting with them. The Requesters perceived this as being presented with a *fait accompli* regarding initial alignment's selection, and viewed all subsequent consultations as post-factum justification of a predetermined decision. Two further meetings between representatives of MoCTI, SRI, the Agency for Spatial Planning and Urbanism, the Jagodina Municipality, and the Requesters took place in May and August 2025; however, no agreement was reached.

As established in its Response, Management has been encouraging the Client to conduct meaningful stakeholder engagement. However, as per the preliminary evidence, engagement has been limited to municipal authorities and has not included interactions with the community beyond that sought by the Requesters.

Thus, the stakeholder engagement (as related to the initial alignment) appeared to be limited and not proportionate to the high level of interest from the side of Requesters, thus adversely impacting the Requesters' ability to express their views on matters that affected them directly.

4. Conclusion and next steps

In summary, based on the preliminary findings as presented in earlier sections, [Case 2025/01 High Speed Rail Belgrade to Niš Project \(Op Id 53136\)](#) would have met the criteria to move forward with a Compliance Review, so as to determine if the Bank had complied with the relevant provisions of the 2019 Environmental and Social Policy, specifically with PR1 and PR10.

However, IPAM notes that the issues raised in the Request related to the Project's initial alignment, and not to the new route. The information sent to IPAM by Requesters in April 2026, and confirmed by Bank Management and the Client, indicates that the Project is expected to undergo material changes in its design and alignment as regards Tranche 3.

In light of these anticipated modifications, the issues raised in the Request no longer appear to be applicable to the Project as currently envisaged. Thus, they no longer meet the admissibility requirements under the 2019 Project Accountability Policy. For such reason, IPAM recommends to the Board of Directors the closure of Case 2025/01. The Requesters remain entitled to submit a new request to IPAM should concerns arise regarding the Project, or resubmit the current one, should the decision to relocate the alignment be reversed.

This Compliance Assessment Report (in English and Serbian) will be shared with the relevant Parties and published in the Case Registry under [Case 2025/01](#), following the Board's approval under the non-objection procedure. Upon disclosure of this Report, the processing of this Case will be formally concluded.

Annex I. Bibliography

This annex compiles the principal sources cited or referenced in this Report.

1. European Bank for Reconstruction and Development. (2019). *Access to Information Policy*.
2. European Bank for Reconstruction and Development. (2019). *Environmental and Social Policy*.
3. European Bank for Reconstruction and Development. (2019). *Project Accountability Policy*.
4. European Bank for Reconstruction and Development. (2022, July 15). *High Speed Rail Belgrade to Nis* (Project Summary Document, Project No. 53136).
5. European Bank for Reconstruction and Development. (2022). *High Speed Rail Belgrade to Niš: Non-technical summary*.
6. European Bank for Reconstruction and Development. (2022). *High Speed Rail Belgrade to Niš: Inception report*.
7. European Bank for Reconstruction and Development. (2022). *SERBIA: High Speed Rail Belgrade to Niš* (Board report, Project No. 53136).
8. European Bank for Reconstruction and Development. (2025, July). *Assessment report: High Speed Rail Belgrade to Nis, EBRD Project Number 53136, Case 2025/01*. Independent Project Accountability Mechanism.