



Project
Complaint
Mechanism

COMPLAINT: GrCF - Belgrade Green Boulevard

REQUEST NUMBER: 2018/10

ELIGIBILITY ASSESSMENT REPORT – October 2018

The Project Complaint Mechanism (PCM) is the accountability mechanism of the EBRD. PCM provides an opportunity for an independent review of Complaints from one or more individual(s) or organisation(s) concerning an EBRD Project, which allegedly has caused, or is likely to cause harm. PCM may address Complaints 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 a dialogue between the Complainant(s) and the Client to resolve the issue(s) underlying a Complaint without attributing blame or fault. Affected parties can request one or both of these functions.

For more information about PCM, contact us or visit www.ebrd.com.

Contact information

Inquiries should be addressed to:

The Project Complaint Mechanism (PCM)
European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN
Telephone: +44 (0)20 7338 6000
Fax: +44 (0)20 7338 7633
Email: pcm@ebrd.com

<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>

How to submit a Complaint to the PCM

Complaints about the environmental and social performance of the EBRD can be submitted by email, telephone or in writing at the above address, or via the online form at:

<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/submit-a-complaint.html>

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Unless otherwise indicated, capitalised terms used in this report are those as set forth in the PCM Rules of Procedure.

EXECUTIVE SUMMARY

The Project Complaint Mechanism received a Complaint raising concerns regarding the design and reconstruction of the Cara Dušana, Džordža Vašingtona, 27 Marta and Kraljice Marije streets in Belgrade, Serbia. The redevelopment of these streets is related to the EBRD-financed GrCF - Belgrade Green Boulevard Project. The Complainant requested that both a Problem-solving Initiative and a Compliance Review be undertaken by the PCM.

The PCM Eligibility Assessors have found that the Complaint does not satisfy the eligibility criteria as set out in the PCM Rules of Procedure for a Problem-solving Initiative or for a Compliance Review.

I. BACKGROUND

1. On 28 June 2018, the Project Complaint Mechanism (PCM) received a Complaint in relation to the EBRD's GrCF - Belgrade Green Boulevard Project in Serbia.¹ The Complaint was submitted by Ulice za Bicikliste (Streets for Bicyclists), a civil society organisation (CSO) based in Belgrade, Serbia. The Complaint requested a Problem-solving Initiative (PSI) and a Compliance Review (CR) be undertaken by the PCM.
2. The Complaint was registered by the PCM Officer on 6 August 2018, in accordance with paragraphs 11-13 of the PCM Rules of Procedure (PCM RP). The Complaint was subsequently posted to the PCM Register, pursuant to paragraph 20 of the PCM RP.
3. On 31 August 2018, Ms. Ana Toskic was appointed as an *ad hoc* PCM Expert to conduct the Eligibility Assessment for the Complaint jointly with the PCM Officer, in accordance with paragraph 22 of the PCM RP.
4. The Complaint refers to the EBRD's Belgrade Public Transport and Traffic Infrastructure Project. However, the PCM determined that the issues raised in the Complaint refer instead to the GrCF - Belgrade Green Boulevard Project (Project ID 49267), approved for funding on 11 July 2017. According to the Project Summary Document available at www.ebrd.com, the GrCF - Belgrade Green Boulevard Project is a sub-project under the Green Cities framework (Project ID 48171), approved for funding by the EBRD Board of Directors on 30 November 2016.²
5. According to the Bank Management's response to the Complaint, *[T]he GrCF - Belgrade Green Boulevard Project involves the extension of a EUR 20 million loan to the City of Belgrade (the Client) to finance the reconstruction of one of Belgrade's key downtown boulevards. The proceeds of the loan will be used for the reconstruction of tram tracks, the refurbishment of the existing pavement structure, sidewalks and overhead contact lines, and the instalment of new public lighting, traffic signalization and management systems. Once refurbishment works are complete, the Project will allow for new trams to operate. This improvement in public transport is expected to lead to an overall reduction of car traffic and congestion during peak hours, and therefore better air quality in the City of Belgrade.*³

II. STEPS TAKEN IN THE ELIGIBILITY ASSESSMENT

6. The Eligibility Assessors have undertaken a general examination of the Complaint, as well as documents and information provided by the Complainant and EBRD Management, in order to determine if the eligibility criteria set out in the PCM RP are satisfied.
7. The PCM Officer informed the Client of the Complaint registration in August 2018, and invited them to provide a written response.
8. Separate, initial bilateral meetings with the Complainant and relevant EBRD staff were held by teleconference in September, 2018.
9. A second meeting with the Complainant was organized in late September 2018 with the objective of exploring their concerns and ensuring their understanding of the PCM's

¹ Complaint Number 2018/10 is available on the PCM Register (<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-register.html>) and in Annex 1 of this report.

² The Project Summary Document for Green Cities, where the GrCF - Belgrade Green Boulevard Project is listed as a sub-project, is available at <https://www.ebrd.com/work-with-us/projects/psd/green-cities-georgia.html>.

³ The Bank Management Response, dated 24 August 2018, is available in Annex 2 of this report.

functions. The Eligibility Assessors sought the Complainant's general experience with the City of Belgrade's activities, including positive impacts as well as pending concerns.

10. The PCM also sent an official letter to the City of Belgrade (the Client) in September 2018, requesting a meeting between their administration and the PCM's the Eligibility Assessors. The intention of the meeting was to create an opportunity to hear the Client's views on the issues raised in the Complaint, and to determine their willingness to engage in facilitated dialogue with representatives of the Ulice za Bicikliste CSO through the PCM PSI function. PCM received no response from the City of Belgrade to two letters addressed to them (dated 20 August 2018 and 11 September 2018), nor to the phone calls that followed these letters.

III. SUMMARY OF THE RELEVANT PARTIES' VIEWS

1. Complainant

11. The Complainant raises issues related to the redevelopment of the Cara Dušana, Džordža Vašingtona, 27 Marta and Kraljice Marije streets in Belgrade.
12. The Complainant asserts that the City of Belgrade publicly announced their intention to introduce bicycle paths within the newly refurbished streets to be reconstructed as part of the project, but City subsequently cancelled these proposals in lieu of adding more car lanes.
13. The Complainant believes that the introduction of more car lanes within the refurbished streets will allow more cars to circulate through the centre of Belgrade, thus creating more pollution, congestion and noise.
14. The Complainant asserts that the refurbishment of streets and the introduction of additional car lanes will generate new costs at the expense of more sustainable transportation infrastructure.⁴

2. Bank Management

15. In a written response to the Complaint, EBRD Management indicated that at the time of Project approval, it was not known whether the scope of the boulevard refurbishment would include the introduction of cycling lanes or not.
16. The Bank indicated that to their best knowledge, relevant decision-making authorities within the City of Belgrade considered the idea of introducing new bicycle lanes, but later rejected this proposal due to insufficient capacity of the boulevard to accommodate two new lanes.
17. Bank Management indicated that the Environmental and Social Due Diligence undertaken and the subsequent mitigation measures identified have concluded that the Project in its current definition is structured to meet the EBRD's Environmental and Social Policy Performance Requirements.
18. Finally, the Bank Management expressed their willingness to consider providing finance for any scheme that included cycling lanes. However, Bank Management noted that as there is

⁴ Complaint Number 2018/10 is available at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-register.html> and annexed to this report.

no requirement in the Environmental and Social Policy that mandates requires such cycling lanes, that Bank Management did not support a Compliance Review being undertaken.⁵

IV. DETERMINATION OF ELIGIBILITY

19. The Eligibility Assessors have examined the Complaint to determine whether the relevant eligibility criteria are met under paragraphs 24-26 and 28 of the PCM RP, and considered the response of Bank Management in accordance with paragraph 29 of the PCM RP.

20. Pursuant to paragraph 24 of the PCM RP, the Eligibility Assessors do not judge the merits of the allegations in the Complaint and do not make a judgement regarding the truthfulness or correctness of the Complaint in making their determination on eligibility.

21. The Eligibility Assessors have taken note of the information relating to the criteria set out in paragraph 25 of the PCM RP:

- **Function:** The Complainant has indicated a desire for PCM to undertake a Problem-solving Initiative and a Compliance Review.
- **Outcomes:** The Complainant has indicated the following outcomes sought as a result of the PCM process:

I would like to have bicycle paths considered in all streets reconstructed through this project of EBRD.⁶

- **Correspondence:** The Complainant has shared copies of their correspondence with EBRD staff regarding the issues raised in the Complaint with the PCM.
- **Policy:** The Complainant has not indicated specific provisions of concern within a Relevant EBRD Policy (i.e., the Environmental and Social Policy or the Public Information Policy).

22. Pursuant to paragraph 28 of the PCM RP, the Eligibility Assessors have found that the Complaint was not filed fraudulently or for a frivolous purpose, and that its primary purpose is not to seek competitive advantage through the disclosure of information or to delay the EBRD Project. Further, the Complaint has not been addressed by a mechanism of another co-financing institution, and it does not relate to the obligations of a third party.

1. Eligibility for a Problem-solving Initiative

23. PCM's Problem-solving function seeks to restore dialogue between Complainants and Clients to resolve the issues underlying a Complaint without attributing blame or fault. In the present case, the Eligibility Assessors have considered whether the PCM's involvement may assist in resolving the present dispute, or if PCM's involvement is likely to have a positive result, taking into account the efforts undertaken to resolve the issues of concern.

24. To be found eligible for a Problem-solving Initiative, each party must indicate their willingness to engage in a dialogue process facilitated by the PCM. While the Complainant has shown interest in engaging in a Problem-solving Initiative, the Client has not indicated such an interest to date. Considering these circumstances, the Eligibility Assessors determined that there is no prospect for facilitated dialogue between the Complainant and the Client.

⁵ The Bank Management Response dated 24 August 2018 is available in Annex 2 of this report.

⁶ As cited in the Complaint, available in Annex 1 of this report.

2. Eligibility for a Compliance Review

25. As per the PCM RP, the PCM Compliance Review function seeks to determine whether or not the EBRD has complied with a Relevant EBRD Policy with respect to an approved Project.
26. In considering whether the Complaint meets the eligibility criteria for a Compliance Review, the Eligibility Assessors have concluded the following regarding the conditions set out in paragraph 24(b) of the PCM RP:
- **Timeline:** The Eligibility Assessors determined that the Complaint was filed within the prescribed timeframes.
 - **Policy:** The Complainant raises issues related to the lack of cycling lanes planned on streets to be refurbished with EBRD support. The Eligibility Assessors determined that there is no requirement under the EBRD Environmental and Social Policy that mandates the introduction of cycling lanes within the refurbished streets, nor does it require the EBRD to ensure that the Client adequately considers the inclusion of cycling lanes.
27. Finally, the Eligibility Assessors must consider paragraph 27 of the PCM RP. Since the issues raised in the Complaint do not relate directly to a Relevant EBRD Policy, the Eligibility Assessors have not determined a responsibility of the EBRD, or a potential failure of the EBRD to monitor Clients' commitments pursuant to a Relevant EBRD Policy.

V. CONCLUSION

28. In consideration of the findings above, the PCM Eligibility Assessors find that the Complaint does not satisfy the eligibility criteria for a Problem-solving Initiative or for a Compliance Review, as described in the PCM RP.

ANNEX 1: COMPLAINT

Date/Time 28/06/2018 09:33

Name/Organisation

Address [REDACTED] Belgrade

Country SERBIA

Phone number [REDACTED]

Email [REDACTED]

Is there a representative making this Complaint on behalf of the Complainant? No

If yes, please provide the Name and Contact information of the Representative n/a

Are you requesting that this Complaint be kept confidential? No

If yes, please explain why you are requesting confidentiality n/a

Please provide the name or a description of the EBRD Project at issue. Belgrade Public Transport and Traffic Infrastructure 8214-IFT-42809 Reconstruction of streets Cara Dušana, Džordža Vašingtona, 27 Marta and Kraljice Marije

Please describe the harm that has been caused or might be caused by the Project. Although announced, City of Belgrade cancelled the plans for construction of bicycle paths in this boulevard. Because of this, more car lanes will be introduced, and more private car traffic will be able to circulate through urban city core of Belgrade. This means more pollution, congestion and noise in this area of the city, which will soon introduce new cost of reconstruction of this street in favour of more sustainable means of transport. Have you contacted the EBRD to try to resolve the harm caused or expected to be caused by the Project? Yes

If yes, please list when the contact was made, how and with whom I contacted EBRD on 28.6.2018, over e-mail.

Please also describe any response you may have received I still haven't got answer from them.

Have you contacted the Project Sponsor to try to resolve the harm caused or expected to be caused by the Project? Yes

If yes, please list when the contact was made, how and with whom I spoke with the City of Belgrade on the 24.1.2018 in the City hall, and we didn't come to mutual agreement about this issue. Although there is analysis which says that it is possible to put bicycle paths into those streets with cancelling of some parking places, city of Belgrade didn't do any effort to check possibilities for this to happen.

Please also describe any response you may have received. Position of City of Belgrade is that there is not going to be bicycle path.

If you have not contacted the EBRD and/or Project Sponsor to try to resolve the harm or expected harm, please explain why. n/a

If you believe the EBRD may have failed to comply with its own policies, please describe which EBRD policies. n/a

Please describe any other complaints you may have made to try to address the issue(s) at question (for example, court cases or complaints to other bodies). n/a

Are you seeking a Compliance Review where the PCM would determine whether the EBRD has failed to comply with its Relevant Policies? Yes

Are you seeking a Problem-solving Initiative where the PCM would help you to resolve a dispute or problem with the Project? Yes

What results do you hope to achieve by submitting this Complaint to the PCM? I would like to have bicycle paths considered in all streets reconstructed through this project of EBRD.

ANNEX 2: BANK MANAGEMENT RESPONSE TO THE COMPLAINT

GRCF - BELGRADE GREEN BOULEVARD (OP ID: 49267)

The Project involves the extension of a EUR 20 million loan to the City of Belgrade to finance the reconstruction of one of Belgrade's key downtown boulevards.

The proceeds of the loan will be used for the reconstruction of tram tracks, the refurbishment of the existing pavement structure, sidewalks and overhead contact lines, and the instalment of new public lighting, traffic signalisation and management systems.

Once refurbishment works are complete, the Project will allow for new trams to operate. This improvement in public transport is expected to lead to an overall reduction of car traffic and congestion during peak hours, and therefore better air quality in the City of Belgrade.

As far as cycling lanes are concerned, at the time of project appraisal it was not known whether the scope of the boulevard refurbishment works would include the introduction of cycling lanes or not. To the best of EBRD's knowledge, relevant City bodies considered the idea and rejected it due to insufficient capacity of the boulevard to accommodate two new lanes.

EBRD understands that the City has had meetings with CSOs to discuss the technical and safety reasons for not being able to provide cycling lanes in the reconstructed boulevard, and indicated that they may be considering an alternative route for cyclists.

Given the benefits associated with the current scope of reconstruction works identified during Project appraisal, EBRD supported the financing of the Project. The Environmental and Social Due Diligence undertaken and the subsequent mitigation measures identified have concluded that the Project in its current definition is structured to meet EBRD's Environmental and Social Policy as well as its Performance Requirements.

EBRD would be happy to consider providing finance for any scheme that included provision of cycle lanes. However there is no requirement in the Environmental and Social Policy that mandates them. As such EBRD management does not believe that a Compliance Assessment would be appropriate or productive in this case.