

## Briefing paper

### Report from CEE Bankwatch Network Fact-Finding Mission on the Belgrade Bypass and Gazela Bridge projects 25<sup>th</sup>-27<sup>th</sup> June 2007

#### Background

The Belgrade Bypass is designed as part of the Pan European corridor X and is intended to relieve the critical traffic situation in the Serbian capital. It is situated on the junction of two important corridors connecting Western Europe, Italy and Austria with Romania (E-70) and linking Austria with Greece and Turkey (E75) through the Balkans.

**The Belgrade Bypass project** involves the construction of 69 kilometres in total of bypass roads to the west and south of Belgrade. It comprises 9.7 kilometres of Section A from Batajnica to Dobanovci, 37 kilometres of Section B from Dobanovci to Bubanj Potok and the 22 kilometre long Section C from Bubanj Potok through Vinca to Starcevo.

**The Gazela Bridge rehabilitation project** comprises the reconstruction of the Gazela Bridge over the River Sava on the E70/E75 highway crossing, **including the relocation of unregistered, predominantly Roma, settlements established underneath the bridge**, and the upgrading of the R251 inner ring road between Lestane and Zeleznik, located in the south of Belgrade, with a total length of 29.4 kilometres. The resettlement of the Roma community is a particularly difficult issue. Around 2000 people (this varies by season) live in shacks made of scavenged materials, and the need for resettlement is clear. However previous attempts to resettle the same community failed due to resistance from the proposed host communities. Belgrade City Council therefore has no successful experience of such a resettlement programme. There is evidence that some parties are suggesting that temporary resettlement should take place for the sake of the project timetable.

The Bypass and Gazela Bridge projects are closely connected, as the Bypass is supposed to relieve the heavy traffic on the existing E70/E75 highway crossing and R251 inner ring road.

#### EIB and EBRD involvement

The **European Investment Bank (EIB)** approved up to EUR 180 million (out of a total project costs of 530 million) for the **Belgrade Bypass** on 12<sup>th</sup> June 2007. The project involves the construction of 47 km of bypass roads located to the West and South of the City of Belgrade:

1. Section A: construction of a 2 x 2 lane motorway link between Batajnica and Dobanovci (Roads E70 - E75; 10 km);
2. Section B: upgrading to 2 x 2 lane motorway standard of the existing road between Dobanovci and Ostruznica (16.8 km), including the construction of an additional bridge crossing the Sava river, and construction or finishing of the section between Ostruznica and Bubanj Potok (20.5 km), including 4 tunnels.

The EIB also approved and signed EUR 33 million (of a total project cost of 64 million) for the **Gazela bridge rehabilitation** on 25<sup>th</sup> May 2007, financing:

- (i) the rehabilitation of the Gazela bridge on the E70/E75 Highway through Belgrade
- (ii) the rehabilitation and upgrading of access roads with a total length of 29.3 km and
- (iii) the reconstruction/upgrading of the R251 ring road between Lestane and Zeleznik located in the south of Belgrade with a total length of 29.4 km.

The **European Bank for Reconstruction and Development (EBRD)** is considering EUR 80 million (of 290.4 million in total) for the **Belgrade Highway and Bypass Project**:

1. Section B: the rehabilitation and road equipment fitting on a 25.9 km long motorway (E70/75) section from airport "Nikola Tesla" to "Bubanj Potok"

2. rehabilitation of the ring road (R251) section 24.2 km long with the rehabilitation of the "Strazevica" tunnel, and stabilisation of landslides
3. Section A: construction of a new 9.7 km long motorway (E70/75) section from "Batajnica" to "Dobanovci".

(from a procurement notice: <http://www.ebrd.org/oppo/procure/oppo/goods/general/061120a.htm>)

The EBRD is also providing technical assistance for the resettlement of the unregistered Roma settlement under the Gazela Bridge.

### **Current status**

**Gazela Bridge:** There was no EIA for the Gazela Bridge project, as it was considered to fall into environmental Category B by the EIB, and therefore not requiring a full EIA. A discretionary environmental and social study was undertaken for the Batajnica-Bubanj Potok Highway rehabilitation, which includes the Gazela Bridge. Work on the Gazela Bridge rehabilitation is due to start in either September 2007 or March 2008. However, this seems unlikely due to:

- The lack of progress on the Roma resettlement issue (explored in more detail below)
- The fact that another major bridge over the Danube, the Pancevo Bridge, is currently started being renovated and it seems unlikely they could be done simultaneously.
- The fact that the approach roads have not yet been rehabilitated, which is a precondition for the bridge's reconstruction.

**Section B** of the Bypass is partly completed and partly under construction.

**Section A** has been subject to an Environmental Impact Assessment process, along with Section B. However see concerns below.

**Section C** was partially included in the EIA but since the final route is not yet known, the EIA stated that further studies must be carried out when the route has been finalised. Work is not expected to start on Section C for several years. It is the most problematic part of the Bypass, involving the demolition of between 70 and 105 properties (EIA: page 12 - 8), a major new bridge over the River Danube, 12 other bridges and up to 2 tunnels.

### **Brief summary of concerns about resettlement:**

#### **Belgrade Bypass:**

- There are still some clarifications to be made about the exact route in some places on section A.
- It appears that there may be resettlement issues involved, depending on the final route decision. The EIA stated that around 139 properties may be demolished in Sections A + B (EIA: page 12 - 7), however it is not clear how many are/were in each section, and it is not clear how many are/were unregistered. The EIA did not deal with the compensation issue adequately, hoping that the EIA process would inform local people and encourage them to register their properties, in order to be considered eligible for compensation (EIA: page 12 - 4 to 12 - 6)
- The EIA public consultations were poorly attended, due to being advertised in only one newspaper: 13 people were present at the public hearing 2004 and 2 at the one in 2006, mainly the experts from different companies involved in Belgrade Bypass Project.
- The EBRD was unaware of possible resettlement issues on Section A until notified by Bankwatch. Representatives from the Bank recently visited Belgrade and investigated this issue. The outcome of this visit is not yet known.

#### **Gazela Bridge**

While Sections A and C of the Bypass may present some issues concerning resettlement, the issue is still unclear. For this reason here we concentrate on the Gazela Bridge issue, though **in general we would like to underline that much more attention has until now been paid to Gazela Bridge than the Bypass.**

The City Council does not have a clear vision or detailed plan of how the resettlement of the Gazela community should be carried out, which is of great concern at this stage in the proceedings. The consultants provided by the IFIs who are assisting with the resettlement correctly state that the City Council must have ownership over the plan, however it appears that, with three failed attempts behind it, the City Council is hesitant to make a plan for the physical resettlement.

According to the external consultants, some documents have been prepared, for example the census documents to survey the community, and the contractual documents stating the rights and responsibilities of the resettled families, however the physical resettlement is at the brainstorming stage, and although the EBRD and consultants insist that the resettlement must take place according to International Finance Corporation standards, some of the ideas being mentioned did not conform to such standards.

The draft Integration Action Plan prepared by the City of Belgrade - with a budget of approximately EUR 10 million - is focused on general educational activities on human rights and possible employment. These activities are aimed only at the Roma and not at the possible host communities. Such measures are necessary and welcome but are as yet rather vague and do not propose a concrete solution for the resettlement.

The only issue that had common acceptance, including from the residents of the Gazela settlement who we spoke to, was to resettle the community in smaller groups, in order to avoid "ghettoisation". However there was no mention by the City Council of possible host communities and the necessity to work with them.

The people we spoke to in the Gazela community stated the necessity of being settled in smaller groups, and the family of Branko, one of the representatives of the settlement, stated that they need to be resettled in Novi Beograd, because their children are already in school there. On other occasions people from the community have also expressed that it is important for them to be situated within reach of the city centre in order to collect and sell waste materials.

**According to the plans, work should start in September 2007 or March 2008. This is clearly unacceptable from the point of view of the Gazela resettlement. However, none of the institutions have acknowledged the need to delay the project. Instead we have seen suggestions to either implement 'temporary' solutions or to carry out the resettlement in parallel with the bridge reconstruction.**

#### **Recommendations for the EIB:**

- The quality of the resettlement must not be sacrificed for the sake of speed. Rehabilitation of the ring road and Pancevo bridge needs to be finished before the Gazela Bridge is started, so the EIB should acknowledge the delay in the project and enable the resettlement to take place before the bridge is rehabilitated.
- The resettlement must be a model of public participation and transparency, including all parties in the planning. Due to past failures of resettlements in Belgrade, particular attention must be paid to including the host communities at an early stage and ensuring that they receive benefits from the project.

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- If there are unregistered dwellings on Section A of the Bypass, a Resettlement Action Plan must be drawn up and a co-ordination structure established to ensure that adequate compensation takes place.