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Bulgaria:
Centre for Environmental
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(CEIE)
For the Earth!

Czech Republic:
Centrum pro dopravu a
energetiku
Hnutí Duha

Estonia:
Estonian Green Movement–FoE

Georgia:
Green Alternative

Hungary:
Nature Protection Club of
Eotvos Lorand University (ETK)
National Society of
Conservationists–FoE (NSC)

Lithuania:
Atgaja

Macedonia:
Eko–svest

Poland:
Polish Green Network (PGN)
Institute of Environmental
Economics (IEE)

Russia:
Sakhalin Environment Watch

Slovakia:
Friends of the Earth – Center
for Environmental Public
Advocacy (FoE–CEPA)

Ukraine:
National Ecological Centre of
Ukraine (NECU)

CEE Bankwatch Network's
mission is to prevent
environmentally and socially
harmful impacts of
international development
finance, and to promote
alternative solutions and public
participation.

To:
EBRD Directors

4th May 2010

Re. Sava River Crossing project

Dear Directors,

We understand from the EBRD website¹ that the Board will be discussing a loan increase for the Sava River Crossing project in Belgrade this week. We have very recently become aware of resettlement issues concerning the project, and given the still unresolved issues concerning the Gazela Bridge project, we would like to emphasise the need for satisfactory Resettlement Action Plans to be developed and approved before any loan increase is approved.

As we understand there are two different resettlement issues involved: According to an e-mail received today from the EBRD's Belgrade office there are 12 residential structures located between the river and Juri Gagarin Boulevard whose resettlement falls within the EBRD-financed project. The Resettlement Action Plan for these is to be completed by the end of June.

In addition the EBRD's website outlines that² *"Up to 200 households could be affected by the construction of the proposed Northern feeder road, some one kilometre away from the Bridge. This section is neither part of EBRD's original loan nor the proposed EBRD loan extension. Nevertheless, EIB, which is considering financing this section along with the City, confirmed to the Bank that they are fully aware of the issue and that they are working on an acceptable solution that would allow the project to move forward while the resettlement of the projected affected people is being resolved satisfactorily between the EIB and the City."*

This seems to indicate that this part of the resettlement is not the responsibility of the EBRD. Indeed, the EBRD-financed bridge and access

1 <http://www.ebrd.com/about/strategy/index.htm#board>

2 <http://www.ebrd.com/projects/psd/psd2005/34913.htm>

ramps are planned to join to the existing road network and are thus not entirely dependent on the EIB-financed feeder roads. Thus, whether the EIB-financed feeder roads and the corresponding resettlement are within the area of influence of the project is a grey area. **However, given both banks' experience with resettlement in Belgrade, we would urge the EBRD to take a precautionary approach and act with strong co-ordination and unity with the EIB in ensuring that resettlement standards are upheld.** The assurance from the EIB mentioned above can hardly be sufficient to convince the EBRD that it can count on a satisfactory resettlement. The EBRD must be aware that the EIB has little capacity in this area, and that it is extremely difficult to ensure that the Belgrade authorities develop and implement a satisfactory resettlement plan.

There are unfortunately ample reasons for ongoing concerns about the way that resettlements are carried out in Belgrade. In addition to the ongoing deficiencies in the Gazela Bridge resettlement, forced evictions of other informal settlements in Belgrade during the last year have already triggered a number of international protests by different Roma and non-Roma NGOs including Amnesty International.

Concerning the EIB-financed feeder roads, during the the last few weeks we have found out that several families (we are aware of 7 families) that used to live in the Gazela settlement and were resettled in their municipalities of origin in the south of Serbia came back to Belgrade last October and settled again in Novi Beograd – this time in the Buvljak informal settlement, which is to be affected by the project. Thus there is a danger that some of the same people will be negatively affected by two IFI-financed projects in succession.

These people recently invited us to meet with them when they heard rumours that they would be evicted along with more than other 100 families, without the formal process carried out in the case of Gazela. During the visits it also became clear that there is another settlement known as Toplana which is close to the Novi Beograd district heating plant and which is also expected to be evicted in advance of the construction of the feeder roads. Discussions with the affected people have indicated that none of the steps have taken place that one would expect for a satisfactory resettlement, for example a census, or consultations, which further raises concerns that the process is either at an extremely early stage, or that a proper resettlement is not planned to take place.

We are glad to hear that the resettlement preparations on the EBRD-financed project are proceeding in a more regular way, however, given the difficulties which occurred with the Gazela project **we call on the EBRD Board not to approve a loan increase until a satisfactory Resettlement Action Plan has been developed by the client and approved by the bank.**

If there is one lesson learned from the Gazela case it must be that approving a project before the Resettlement Action Plan is agreed on is a mistake. There is no guarantee that the client will later go on to fulfill the conditions laid out in the loan contract, and in both the Gazela case and the Sava River Crossing case, the EBRD has limited leverage to improve the situation. While the EBRD's engagement in attempting to improve the Gazela resettlement has brought some results, the mid- to long-term questions have not been resolved, and it is clear that as many issues as possible need to be cleared up before project approval.

We are aware that this communication comes at a late stage, however it was only very recently that we became aware of the connection between the Buvljak and Toplana settlements and the Sava Bridge Crossing project. It was also only today that the EBRD webpage on the project was updated to reflect the loan increase and associated issues, and at the time of writing there is still no mention of the 12 households to be resettled under the EBRD-financed project.

We thank you for your time and look forward to seeing what action you now take.

Yours sincerely,

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