

Position Paper on the Serbia Solid Waste National Programme

For more information

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Background

The Serbia Solid Waste Programme is a multi-site EUR 150 million project planned to be co-financed 50:50 by the European Bank for Reconstruction and Development and the French Development Agency.¹ It intends to regionalize solid waste management across 29 municipalities in Serbia by funding the closure of municipal dumpsites and developing seven regional waste management centers and a multi-regional primary sorting system. Municipal dumpsite closures will result in the displacement of the primarily Roma people who live in informal settlements on and near the landfills.

Lessons from the Belgrade Solid Waste PPP

The experience with the Belgrade Solid Waste PPP project is highly relevant to inform the bank's due diligence and decision-making on the new programme for Serbia. The Belgrade project has demonstrated the limited institutional capacity of Serbian authorities, both centrally and locally, to address the challenges with regards to resettlement and livelihood restoration for formal and informal collectors of recyclables. Three years after nineteen households were evicted from the Vinca landfill, with the help of the mediation process facilitated by IPAM, we are yet to see working solutions for more than half of these families.

Moreover, the Belgrade Solid Waste PPP project has demonstrated the need to ensure clear institutional responsibility and accountability, as well as adequate budget commitments, to deliver resettlement and livelihood restoration for Roma households in line with EBRD standards. Without additional surveys and guarantees before project approval, the new Serbia Solid Waste programme is likely to run into similar difficulties with regards to lack of clear responsibilities and dedicated budget.

Major concerns

1. Livelihood Restoration for Informal and Formal Roma Waste Pickers

The project documents of the national programme acknowledge the issue of physical and economic displacement for informal and formal Roma collectors of recyclables, who live on or near municipal dumpsites, but underestimate the risks. This could endanger their livelihoods, which depend on extracting, cleaning, transporting, and marketing recyclables.

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¹ European Bank for Reconstruction and Development, [Serbian Solid Waste Programme](#).

Ensuring livelihoods for recyclables collectors in waste modernization in emerging economies is always challenging, which is why the World Bank Group's 2013 Operational Guide, Preparing Informal Recycler Inclusion Plans, is so useful. It defines the issue in terms of livelihoods and relocation, and it offers careful and practical advice on concerns of facilitated exit and livelihood restitution. The project documentation unfortunately makes no reference to this guide.

Socioeconomic surveys should be used to establish restoration approaches; however, they are yet to be added to the project documentation. It is also unclear how livelihood loss is accounted for; how the total number of people affected is counted, whether claims or requests for livelihood restoration or resettlement are accepted from people with or without official documents or proof of their claims or only from persons with formal contracts, and whether women and their needs are given specific attention.

It is also not stated clearly whether there is an offer of work for formal or informal waste-pickers at the new landfills or the Materials Recovery Facilities (MRF) or the Mechanical-Biological Treatment Facilities, or transfer stations. Specifically, formal and informal waste collectors need to have an immediate alternative as soon as access to the local dumpsites is ceded. It is not acceptable to inform collectors a month in advance of displacement and leave livelihood restoration for an unclear point in the future, thus leaving people without adequate solutions for months or years.

2. Gender

The project documentation for the Serbia Waste Programme lacks any consideration of specific impacts of the sub-projects on women, children, or gender minorities as particularly vulnerable and disempowered groups. Oftentimes men are formally contracted to extract secondary resources and their families (women, children, elderly) help in the preparation of the resources for selling, in addition to providing care in the family.

Women often have different needs when it comes to possible employment options, due to their care duties in the families. There may be specific opportunities for improvement of the life of impacted households, for example, through ensuring better access to education or health services. However, these questions are not given any consideration in the project documents.

Experience in Serbia shows that due to limited capacity and financial resources, the responsible institutions often fail to protect the rights of Roma, with women and children being particularly vulnerable. Proper assessment and planning of measures to protect their rights are needed before the projects get a green light.

3. Limited Stakeholder Engagement

A stakeholder engagement plan (SEP) that consists primarily of one-way announcements from the client to a limited number of stakeholders undermines its own purpose. **Apart from quality concerns, the scope of the sub-project SEPs should include a broader definition of stakeholders that embraces anyone working in the solid waste system.**

Despite the fact that informal waste pickers are designated as stakeholders in Section 5, the projected timeline for informing - not consulting - them of the planned schedule for closing the landfills and livelihood restoration initiatives is at least 30 days in advance, which is insufficient. Their involvement should begin as early as possible in the process, as their livelihoods - and, in some cases, their housing - are dependent on access to landfills.

In November Bankwatch commissioned an independent analysis of the Kalenic project documentation (the only category A sub-project that the EBRD disclosed an ESIA for) by international, Serbian and local Roma experts. Their research and ESIA analysis found that the information flows and obligations between affected individuals and the client are neither transparent nor regulated. The Roma coordinators working at the 11 municipalities of the Kalenic sub-project have not received any briefings or updates on the project. Families and collectors were informed that something would happen to their livelihoods in between 2019 and 2020, but they were not informed that the project had been delayed. These families continue to believe that their livelihoods were unaffected and that the entire project was cancelled.

4. Cost Effect of Centralization of Solid Waste Management

For the municipalities and their PUCs, regionalization has a significant financial, social, and potentially also environmental impact. First, they will be required to pay the regional landfill, in contrast to previously generating some money from a local operation. Second, their transportation and fuel costs climb, and occasionally their vehicles are unable to handle the distances and loads, forcing them to purchase new trucks. Third, the people who worked at the dump are out of jobs and must be re-educated and re-employed. Regional landfills have per-ton operating costs varying from €25 up to €100.² Regionalization of disposal indicates a significant increase in the financial cost of waste management, which is largely dependent on the costs of properly managing a sanitary landfill. This expenditure is typically justified as required to lower the environmental cost of waste management; however, it is crucial to emphasize that future running costs will be borne by waste system users and local communities.

Experts emphasize that if cities and municipalities are not informed ahead of time about the rising expenses of a modernized solid waste system, they may be unprepared or may refuse to cover them. The most likely and frequently observed effect by Springloop Cooperative, U.A. is that they will continue to use unregulated dumpsites. This means that regional landfill operators will have insufficient revenues and may be unable to meet the running costs of the new regional landfill. This could result in regional facilities being operated without following standards and protocols that ensure environmental gains.

5. Recycling Targets

Most Serbian municipalities report recycling rates based on the labour of informal recyclers who extract recyclables from the local dumpsite, and either sell them to the public utility company or the packaging recovery system, or sell them to the value chain. According to a 2018 GIZ study³, quite often it is the only way the municipalities can do recycling. Currently, the private value chain is doing most of the recycling in Serbia, with a small amount also attributable to packaging recovery systems.

However, the project documents lack information on how municipal recycling, including informal collection, is arranged in Serbia now, and what are the benefits of a new approach proposed by the project. It is

² International Energy Agency, [Waste disposal costs and share of EfW in selected countries](#), 9 September 2020.

³ Deutsche Gesellschaft für Internationale Zusammenarbeit, [A Roadmap for Integration - Inclusion of informal collectors into the evolving waste management system in Serbia](#), 2018.

therefore hard to assess the effectiveness of the proposed system in terms of achieving the recycling targets and its cost-effectiveness.

The proposed system plans to sort recyclables from the mixed waste in the MRF. It doesn't include the introduction of separate waste collection and excludes the informal collectors of recyclables. Without an advanced system of at-source waste segregation that can ensure high-quality recyclables, it is unlikely that the operational goals for resource recovery of either the **Materials Recovery Facility (MRF)** or the **Mechanical-Biological Treatment Facility (MBT)** will be achieved. At the same time, it appears that additional investments required to arrange waste segregation are not being considered.

There is also no information on how the closure of eleven dumpsites (in the case of the Kalenic project) may impact the recycling rate. Currently, the informal collectors extract recyclables from the dumpsites at a rate of about 20 per cent of waste, while after their closure they will not be able to do this. Moreover, the proposed approach may put at risk existing SMEs dealing with the recyclables from the informal sector.

Combined with the fact that provisions and indicators for the EU circular economy package and the in-progress ISO circular standard are missing from the sub-projects' PSDs, this scenario may jeopardize the goal of improving Serbia's recycling rates.

6. Closure of the Landfills

The project documents completely overlook the closure of the municipal dumpsites. There is no information on whether they will be just closed, re-purposed or decommissioned and rehabilitated, what technology will be used, who the landowners will be and who will take responsibility for further treatment and maintenance. Nor is there any information about the sources of funding for the closure.

There are substantial environmental risks associated with the closure of the dumpsites, including potential fires, toxic leakage into surface and ground waters, etc. In case of a lack of proper control and monitoring, they still may be used to store hazardous waste which multiplies the environmental risks. Moreover, closing the dumpsites might or might not mean that nearby informal settlements would need to be demolished.

Therefore, the project should include an environmental and social impact assessment for the dumpsite closures, and ensure a comprehensive action plan, including clear timeline, responsible parties and budgeting for every scenario of dealing with the "closed" dumpsites.

7. Underestimated Fire and Flooding Risks

Kalenic is located at a former coal mine site that is part of the Kolubara coal basin. The Kolubara coal basin suffered serious flooding in 2014, which resulted in power supply disruption and shortages in Serbia, as well as environmental and social harm to nearby communities. Yet unfortunately, the Kalenic ESIA has a very minimal and inadequate assessment of the flood risks for the project.

Similarly, the Kalenic ESIA underestimates the risks of fires at the new regional landfill and lacks information in terms of the environmental, occupational and community health impacts of such incidents. Sub-standard management of the new facility and a failure to prevent fires will significantly undermine the anticipated positive climate impact of the project.

The project design must address these risks and ensure special measures to prevent and quickly extinguish any fires that do occur.

Conclusions and Recommendations

Unfortunately, the new Solid Waste programme does not demonstrate that the EBRD expects a different approach to the protection of the rights and livelihoods of the Roma waste collectors than was the case in the Belgrade Solid Waste PPP project.

It is not acceptable for the EBRD to approve financing of the Serbia Solid Waste Programme without first ensuring that detailed surveys and assessments are conducted. The EBRD needs to discuss with the Serbian authorities specific measures and condition the project on guarantees that the rights and livelihoods of the most vulnerable and marginalised affected people will be protected.

- We call on the EBRD to postpone approval of the loan and return to the negotiation table with the Republic of Serbia in order to meet the following conditions:
- The Republic of Serbia must provide guarantees that assure institutional responsibility and accountability, and adequate budget commitments from different governmental levels, in order to deliver resettlement and livelihood restoration for Roma households in accordance with EBRD standards.
- The project promoters need to provide socioeconomic surveys and ensure that impacted households are informed in a timely way so that adequate solutions to economic displacement and livelihood restoration can be found.
- The project promoters need to provide further social and environmental risk assessments for the closure of municipal dumpsites and develop comprehensive action plans to reduce fire and flood hazards.
- The EBRD and its client need to clarify the expected operational costs of the centralization of the solid waste management system and how to prevent substandard operation of the new facilities.
- Proper gender impact assessment and planning of measures to protect the rights of vulnerable groups, such as women, children and gender minorities, are needed before the projects get the green light.
- Last but not least, the Serbian authorities need to demonstrate working solutions for the households resettled from the Vinca landfill for the Belgrade Solid Waste PPP project, which can later provide good models and lessons learned for the timely and proper solutions for other Roma waste collectors.

Acknowledgements

This position paper includes the results of research conducted by Springloop Cooperative, U.A. and Bankwatch member group CEKOR, Serbia.