

Land Acquisition Audit New Sava Bridge Project

EXECUTIVE SUMMARY

September 19 2023

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The Government of Serbia is planning to implement a project in the City of Belgrade which comprises the dismantling of the Old Sava Bridge, its storage for potential future reinstallation in another location, as well as the construction of a new arch bridge over the Sava river in place of the dismantled bridge (the Project).

The Belgrade Land Development Agency (Beoland) is preparing and will be managing the implementation of the Project. The Project is being considered for financing by BNP Paribas SA and BNP Paribas Fortis SA/NV, in cooperation with other possible lenders (the lenders). The lenders require the Project to be prepared and implemented in accordance with internationally recognised environmental and social standards and more specifically the International Finance Cooperation (IFC) Performance Standards on Environmental and Social Sustainability from 2012.

To comply with this requirement, a team of Belgrade based independent social experts (Link 011) carried out an independent audit of the completed Project related land acquisition and associated impacts (on the left bank of the Sava river), to compare what has been done with IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement), identify gaps and propose corrective measures to address them.

To prepare the report, the consultants reviewed all available expropriation files and other Project documentation, consulted Beoland representatives, met with some of the affected people and spoke to others by phone, in the period from April to September 2023.

The construction of the access road (to the Old Sava Bridge) required the permanent acquisition of 30 land plots, amounting to an area of 2,8 Ha (city construction land). The majority of land was public land (26 land plots, amounting to an area of 2,7 Ha), either already owned by the CoB, or the Republic of Serbia and then transferred to the CoB.

The Project required physical displacement of three households, living in one structure comprised of three separate apartments. The Project also affected four structures used by active businesses at the time of land acquisition, of which two were fully impacted and are no longer in operation. The Project also affected an additional eight structures (or groups of structures), including abandoned structures, fences, prefabricated structures, etc.

The consultants have concluded that overall, the land acquisition process for the Project was completed in compliance with IFC PS 5. Although some aspects of the process were not strictly in line with IFC requirements, the aims and objective of PS 5 were met. An inventory of affected people (including their socio economic circumstances) and assets was prepared and used for resettlement planning. The compensation rates for land were based on recent market transactions in the vicinity of the Project area and certified valuers were engaged for determining the value of affected structures, at full replacement cost. Households that needed to be physically displaced were provided with replacement apartments, in accordance with their

legal circumstances, and with a possibility of formalising their ownership / use status in the long term. All physically displaced households were assisted to move with no additional costs in the process. Almost all affected people signed agreements with Beoland in relation to compensation (cash or in kind) and assistance. Beoland representatives ensured that all affected people understood their rights and maintained communication with them throughout the entire process, addressing their questions and concerns.

Two cases are still ongoing and remain to be completed to close out Project related land acquisition. It has been recommended to Beoland to attempt to reach amicable agreements in these two outstanding cases, if possible and if not, ensure that the affected people / entities are compensated as per IFC PS 5 requirements or, if applicable, court decisions.

To ensure transparency of the Project land acquisition process and outcomes, this Executive Summary of the full report has been published on the Project website.