

GONZALO CASTRO DE LA MATA  
 Chairman  
 The Inspection Panel

**IPN REQUEST RQ 15/05**

October 23, 2015

**MEMORANDUM TO THE EXECUTIVE DIRECTORS  
 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**Request for Inspection**

**REPUBLIC OF SERBIA: Floods Emergency Recovery Project (P152018)**

**Notice of Non-Registration**

**Summary**

1. In accordance with paragraph 17 of the Resolution<sup>1</sup> establishing the Inspection Panel (“the Panel”), I hereby inform you that on September 8, 2015, the Panel received a Request for Inspection (the “Request”) of the Bank-financed Floods Emergency Recovery Project in Serbia (the “Project”), raising concerns about the dewatering of a flooded mine and alleging impacts to community members living nearby. The Request and its supporting documents<sup>2</sup> are attached to this Notice.

2. The Panel conducted extensive due diligence in line with its updated Operating Procedures<sup>3</sup> to establish the admissibility of the Request. The Panel consequently decided not to register the Request as it confirmed that the alleged harms are not linked to a Bank-financed Project.

**The Request**

3. The Request was submitted by the Center for Ecology and Sustainable Development (CEKOR), a Serbian NGO working on environment, energy and human rights. The Request explains that CEKOR is representing a family, who live in the Radljevo village in the Ub municipality of Serbia, close to the area of the Tamnava West coal open pit mine. The Request claims that this family is “only one example” and that there are other people living nearby who are in a similar position, but “*are not yet maybe brave enough to send their complaint.*”

<sup>1</sup> The World Bank Inspection Panel, International Bank for Reconstruction and Development, Resolution No. IBRD 93-10 (referred to as “the Resolution”).

<sup>2</sup> The Request includes the following attachments: photos and a map of the area around the Requesters’ house, a letter from CEKOR to World Bank staff as well as the signatures of the Requesters.

<sup>3</sup> Available at:

<http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/2014%20Updated%20Operating%20Procedures.pdf>

4. The Request describes “*damage and harm*” to people who have not been resettled and “*remain under heavy negative environmental, health and property impacts.*” The affected people live approximately 200 meters from the open pit mine and claim that they suffer from emissions, vibrations, noise and a lack of drinking water. The Request claims that the World Bank, through the dewatering of the mine, is contributing to the suffering of the people by not properly addressing the issue of resettlement. The Request claims that OP 4.12 should have been applied to the dewatering of the mine since resettlement and land acquisition are needed.

5. The Request also alleges that Bank staff, despite an agreement to visit the area together with the NGO CEKOR, did not involve the NGO in its visit and later “*delivered a misinformed opinion*” as CEKOR was not given an opportunity to present its information.

6. The Request explicitly states that “*the Inspection Panel [should] recommend to the World Bank’s Executive Directors that an investigation of these matters be carried out.*”

### **The Project**

7. The Request relates to the World Bank-financed Floods Emergency Recovery Project (P152018). The Board approved this Investment Project Financing, which was prepared as a fragile, capacity constraint and emergency project, on October 3, 2014 in the amount of US\$300 million. The expected closing date is December 31, 2017.

8. The Project’s development objectives are to: (i) help restore power system capability to reliably meet domestic demand, (ii) protect livelihoods of farmers in the flood affected areas, (iii) protect people and assets from floods, and (iv) improve the Borrower’s capacity to respond effectively to disasters.

9. The Project has four components and several sub-components. The Request relates specifically to subcomponent 1C: Dewatering of the Tamnava West Field Mine (approximately US\$26 Million), which is implemented by Elektroprivreda Srbije (EPS), a state-owned power company. According to the Project Appraisal Document (PAD), this sub-component supports the first critical step to put the mine back into operation and help avoid significant health hazards associated with the flooded mine. However, subsequent activities related to mine recovery and coal mining equipment rehabilitation will be undertaken by EPS and are outside the scope of this Project.<sup>4</sup>

10. The Project is classified as an Environmental Assessment Category B, and triggered the following safeguards policies: Environmental Assessment (OP/BP 4.01), Pest Management (OP/BP 4.09), Involuntary Resettlement (OP/BP 4.12), and Projects on International Waterways (OP/BP 7.50). The PAD states that the mine dewatering component does not require land acquisition or involuntary resettlement.<sup>5</sup>

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<sup>4</sup> Project Appraisal Document (hereinafter “PAD”) on a Proposed Loan in the Amount of EUR 227.48 Million (US\$300 Million equivalent) to the Republic of Serbia for a Floods Emergency Recovery Project (2014): page 7.

<sup>5</sup> PAD, page 19.

## **Panel's Observations and Determination**

11. Following the receipt of the Request, the Panel published a Notice of Receipt on its website, and reviewed the information presented in the Request and in Project documents. The Panel also contacted the Requesters and met with Bank Management to seek additional information.

12. In line with its Operating Procedures,<sup>6</sup> the Panel sought to verify the following admissibility criteria of the Request: (i) it is not frivolous, absurd or anonymous; (ii) the project/program, which is the subject of the Request, appears to be supported by the Bank, and is not closed or over 95% disbursed at the time of receipt; (iii) it is not procurement-related; and (iv) the Panel has made no previous recommendation. With regards to the admissibility criteria (ii), that the alleged harms can be plausibly linked to at least one component of the Bank-financed Project or program, the Panel decided in the course of its due diligence to visit the Project area to gain a firm understanding of the geographic situation of the project and the nature of the alleged harms. From October 11 to 13, 2015, Panel Member Jan Mattsson and Operations Analyst Birgit Kuba travelled to Serbia to meet with the Requesters, CEKOR and Bank staff.

13. During the visit, the Requesters explained to the Panel that for many years they have been suffering from the mining activities taking place in close proximity to their houses. The Requesters informed the Panel that they have not resettled as they have not been offered adequate resettlement options and compensation, that vibrations have caused cracks in their houses, and that they suffer from noise pollution and a lack of drinking water. The Panel understands the harms suffered by the Requesters over many years as a result of the expansion of the mine, which is now very close to their houses. Indeed it observed cracks in the walls of the houses of the Requesters and were told by them about noise and pollution, and medical issues and stress caused by the uncertainty they had felt about their future. While making it clear that its mandate does not include such historical claims, it was informed by the Requesters that two complaints remain outstanding with EBRD. It was also informed by the Requesters that they expected that they would be resettled within the next few months though they neither know where or how they will be compensated. The Panel wishes to emphasize that this information should be regarded as contextual background only.

14. Bank staff emphasized that the World Bank's activities in the area are limited to the dewatering of the mine, and there is no Bank involvement in past, current or future mining operations. The Bank is also not involved in the rehabilitation of coal mining equipment. Bank staff also emphasized that the dewatering was an emergency operation responding to the energy insecurity after the large-scale flooding in May 2014.

15. The Panel was shown maps with the exact locations where World Bank activities were taking place. Bank staff explained to the Panel that the World Bank-operated pumps were located between 3.5 and 6 kilometers away from the Requesters' houses and their neighbors. During the course of the dewatering, the Project made the decision to slow down the pace of dewatering to avoid any soil movements or erosion. The Panel was told that the

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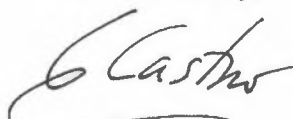
<sup>6</sup> In particular, paragraphs 23 to 25 of the Updated Operating Procedures (2014).  
<http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/2014%20Updated%20Operating%20Procedures.pdf>

Project was measuring soil movements around the open pit mine (also close to the Requesters' houses) and did not detect any movements throughout the entire operation. With regards to noise pollution, the Panel was informed that already at a 500 meter distance from the pumps the noise levels measured remained within the allowed margins. The Requesters confirmed to the Panel that the family could not hear the pumps from their houses. Bank staff explained that the dewatering process does not cause air pollution. With regards to water supply, the Panel learned that the water supply for the populated areas around the mine is not connected to the Kolubara River where the water from the flooded mine was pumped into. A water treatment plant on the other side of the mine, which is not connected to the Project, supplies the area.

16. Bank staff further informed the Panel that the World Bank was asked by the Serbian Government to support the strengthening of the embankments of the Kladnica River. The Bank decided not to support this operation in order to avoid involvement in future coal mine expansion and thus the Bank's engagement remained limited to the dewatering activity. The Panel notes that the World Bank Group, through its International Finance Corporation, is committed to support the development of wind power generation in Serbia.<sup>7</sup>

17. In summary, the Panel, when conducting its due diligence to determine the admissibility of this Request, could not establish the existence of plausible links between the alleged harms and the Bank-financed Project. The Panel concludes that the Request does not meet the admissibility criteria for Registration. In light of the foregoing and in accordance with the Panel Resolution, its Clarifications, and its Operating Procedures, the Panel is not registering this Request for Inspection.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Castro', with a horizontal line underneath.

Gonzalo Castro de la Mata  
Chairman

Attachment

Mr. Jim Yong Kim, President  
International Bank for Reconstruction and Development

The Executive Directors and Alternates  
International Bank for Reconstruction and Development

Ms. Natasa Dereg and Mr. Nikola Perušić  
CEKOR

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<sup>7</sup> See: International Bank for Reconstruction and Development, International Finance Corporation, Multilateral Investment Guarantee Agency: Country Partnership Framework for Serbia for the Period FY16-FY20. May 22, 2015, page 44.



Centar za ekologiju i održivi razvoj (CEKOR)  
Center for Ecology and Sustainable Development  
CEKOR, Korzo 15/13, 24 000 Subotica, SERBIA  
Fax: 381 (0) 24 523 191, [www.ckor.org](http://www.ckor.org)

Monday, September 07, 2015

## REQUEST FOR INSPECTION

- PROJECT: dewatering Tamnava West field in Kolubara mines-

**To: Executive Secretary, the Inspection Panel**  
**1818 H Street NW, MSN 10-1007, Washington, DC 20433, USA**  
**Email: [ipanel@worldbank.org](mailto:ipanel@worldbank.org)**

Dear Sir/Madame,

CEKOR- Center for Ecology and Sustainable Development is NGO working on environment, energy, and human rights issues in Serbia. Since 2006 CEKOR has campaigned to ensure fair resettlement conditions for several marginalized communities in Serbia. The most prominent examples include the informal Roma settlements at Gazela and Belvil in Belgrade, Vreoci in the proximity of the Kolubara open-pit mine and Brodarevo, which will be affected by a potential hydropower dam. In the course of last 2 years CEKOR is active in supporting villagers of Junkovac, Drmno and Radljevo in their fight for the protection of property rights in the face of large mining, transport and energy projects. CEKOR's legal team has initiated several cases to remedy these violations.

### Background of the Case

CEKOR is representing people who live in the part of Radljevo village in Ub municipality in Serbia, close to the area of Tamnava West coal open mine pit, namely [REDACTED], who are affected with severe impacts of EPS mining operations, supported also by the World Bank projects in Serbia. [REDACTED].

[REDACTED] family are only one example while there are other people who are also in similar position, living nearby, but are not yet maybe brave enough to send their complaint.

[REDACTED] family have suffered, they are suffering now and are likely to suffer as a result of the World Bank's failures and omissions in the Floods Emergency Recovery Project for Serbia - project of dewatering of the Tamnava West Field mine program, located in Serbia.

The damage and harm to people we represent is described below. Those people are still not reallocated, but they remain under heavy negative environmental, health and property impacts of EPS operations.

They live approximately 200 meters from the open mine and are under a number of harmful influences including emissions, vibrations, noise. There is a lack of drinkable water; technical water is also appearing every second hour creating a number of problems. By helping **dewatering Tamnava West field in Kolubara mines** The World bank is contributing to the suffering of those people by **not addressing properly the question of people who are not resettled properly from the area**. In accordance to Serbian law on mining and geological explorations from 22. November 2011. published in official gazetta Nr 88/2011 dated 24.11.2011. in section 58. it states under point 7:

„ 7) protective area surrounding the exploitation field necessary for the possible expansion of reserves and resources, in particular:

(1) for exploitation fields up to 25ha, the protective area of up to 100m of width from the relevant border of the exploitation field;

(2) for exploitation fields between 25ha and 100ha, the protective area of up to 250m of width from the relevant border of the exploitation field;

(3) for exploitation fields **larger than 100ha, the protective area of up to 500m of width from the relevant border of the exploitation field.**“

It is not clear how many of people live there and how many of them have to be resettled without compensation. **This should be investigated too.**

So, the main problem is that EPS/Kolubara mining company is not paying attention to the Mining law which demands 500 meter protective zone, so people living under 500 meters are not being resettled, and are forced to live in environmentally worst surrounding.

Unfortunately, Serbian authorities chose to turn blind eye to the existence of the problem. Villagers would agree with resettlement because they suffer under harm influences of nearby coal mine pit which came to 200 meters distance from their home. Those people live there for long-long time, some from birth, possibly 3 decades. **But since the recent floods and works to secure the locations, the industrial area get even closer to their homes.**

Failing to implement the Mining law, the weight of EPS wrongdoings is falling also to their investors lending, also the World Bank which is financing EPS's operations and maintenance that are harmful to people which unlawfully live in protective zone.

**The World Bank's operational policies we believe have not been taken into account.**

CEKOR have complained to World Bank staff on the following occasions:

On a meeting with Mrs Vesna Kostic, World Bank Senior Communications Officer, Belgrade Office on October 1<sup>st</sup> 2014 when we found out that the World Bank was misinformed. So we informed Mrs Kostic via her email [vkostic@worldbank.org](mailto:vkostic@worldbank.org) to the existence of the problem in following correspondence:

02.10.2014 13:33 - By sending document in which in para 2 we inform WB there are non resettled people in the region, on the contrary of the Bank's thinking

20.10.2014 10:47 - After Mrs Kostić asked a contact with [REDACTED] to visit him separately, we answered her we would like to go to the field together as earlier suggested since we represent him, and that we want to be part of communication.

31.10.2014 11:39 - Once again we asked Mrs Kostić to meet affected people like she suggested earlier during meeting in the WB offices in Belgrade. We stated:

“As we agreed during our last communication, I'm at your disposal for a meeting with people living 200 meters from the Tamnava West mine pit. Those people are not taken to safer place, nor expropriated, not properly informed about dewatering. They live in the village Radljevo, Ub municipality. Please do not hesitate to call me at any time for a chance to see the situation directly and meet those people we represent in their complaints towards international financial institutions.”

The responses received were not satisfactory as they did not answer nor solve our problems for the following reasons:

- first we were asked to go with WB representatives to field monitoring action in order to get a clear picture
- afterwards we were supposed to be left out from the field operation
- when we oppose to that, the field monitoring was downplayed
- the issue was left unsolved
- the World Bank staff decided to turn a blind eye to our arguments

Thus, the World Bank did not pay attention to those people during project preparation, realization and monitoring. The World Bank did not integrate these issues to the social impacts. Belgrade WB staff turned blind eye on this grave problem, in spite of our earlier communication and their promise they will visit the area **with us** to see facts for themselves. But instead they did not want to communicate with us on this question anymore. That is why the problem is left unsolved, and we believe, the WB policies were not respected.

**CEKOR request the Inspection Panel recommend to the World Bank's Executive Directors that an investigation of these matters be carried out.**

We want a Involuntary resettlement policy OP/BP 4.12 from the Integrated Safeguards data sheet appraisal stage to be applied in the case of project **dewatering Tamnava West field in Kolubara mines**, because resettlement and land acquisition is needed and it is needed to be conducted in line with World bank standards.

We believe a different opinion in the Summary of Key Safeguard Issues was issued because the bank staff missed the opportunity to give CEKOR possibility to present our informations. In the same part it is stated "To obtain a better understanding of the local context , a WB Social Scientist and a Senior Communications Officer visited the project site and its surroundings, specifically to those areas where there have been specific concerns relating to resettlement, to assess the current situation." However since it is a broad region, they possibly missed to meet people we represent, and that happened because on the contrary to our previous agreements they did not want us to take part in this visit.

Signature: Nataša Đereg, director



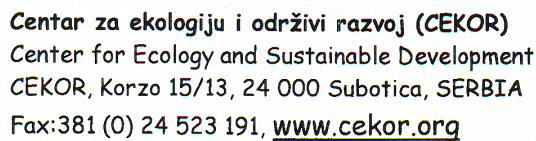
List of attachments:

- earth map of houses close to Tamnava West field
- photo from the [REDACTED]
- Kosticsvetskabanka.doc
- Kosticsvetskabanka translation.doc
- WB signatures

Contacts: Korzo 15/13, 24000 Subotica, Republic of Serbia, [natasa.djereg@cekor.org](mailto:natasa.djereg@cekor.org)

fax + 381 24 523 191

We do authorize you to disclose our identity



*Radljevo, 15.6.2015.*

Poštovana gđo Kostić,

još jednom vam se zahvaljujem na jučerašnjem srdačnom prijemu!

Dozvolite mi da vam u povodu ispumpavanja vode iz kopa Tamnava Zapad ukažem na sledeće:

- postoji slučaj [REDACTED] koji nije obeštećen za useve koji su uništeni tokom eksproprijacije njegovog pluća koji je ušao u sastav polja Tamnava Zapad i čiju žalbu razmatra EBRD, u visini 10.000 eura [www.ebrd.com/downloads/integrity/PCM\\_AR\\_2013\\_final.pdf](http://www.ebrd.com/downloads/integrity/PCM_AR_2013_final.pdf)
- [http://www.liberation.fr/terre/2013/12/30/kolubara-mine-serbe-sur-du-charbon-ardent\\_969808](http://www.liberation.fr/terre/2013/12/30/kolubara-mine-serbe-sur-du-charbon-ardent_969808)
- kuće [REDACTED] sa porodicama se godinama nalaze na 200 metara od kopa (sada jezera) a pitanje njihovog raseljavanja nije pokrenuto [http://www.setimes.com/cocoon/setimes/xhtml/en\\_GB/features/setimes/features/2013/05/13/feature-02](http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2013/05/13/feature-02)
- <http://bankwatch.org/news-media/blog/fair-treatment-long-time-coming-serbias-kolubara-lignite-mine>
- imamo registrovan slučaj i njihovog komšije [REDACTED] koji nije eksproprian a zbog pukovina na objektu se morao odseliti iz svoje kuće. Nije kompenzovan <http://www.theguardian.com/global-development/2013/apr/24/serbia-coal-tremors-mining-communities>

- Žitelji sela Radljevo, opština Ub kažu da imo još oko 20 kuća koje su neeksporisane u delu sela pored kopa Tamnava Zapad

- žalbeni mehanizam RB Kolubara je ispod standarda <http://bankwatch.org/news-media/blog/campaign-update-ebrd-not-digging-truth-kolubara-mine-serbia>

Dear Mrs. Kostić,

Once again thank you for yesterday's warm reception!

Let me on the occasion of pumping water from the open pit Tamnava West point to the following:

- there is a case that [REDACTED] was not compensated for crops that were destroyed during the expropriation of his wages which became part of the field Tamnava West and whose appeal considers the EBRD in the amount of 10,000 euros [www.ebrd.com/downloads/integrity/PCM\\_AR\\_2013\\_final.pdf](http://www.ebrd.com/downloads/integrity/PCM_AR_2013_final.pdf)
- [http://www.liberation.fr/terre/2013/12/30/kolubara-mine-serbe-sur-du-charbon-ardent\\_969808](http://www.liberation.fr/terre/2013/12/30/kolubara-mine-serbe-sur-du-charbon-ardent_969808)

- Houses of [REDACTED] with their families are for years at the distance of 200 meters from the mine (now a lake) and the issue of their displacement was not raised

[http://www.setimes.com/cocoon/setimes/xhtml/en\\_GB/features/setimes/features/2013/05/13/02-feature](http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2013/05/13/02-feature)

- <http://bankwatch.org/news-media/blog/fair-treatment-long-time-coming-serbias-kolubara-lignite-mine>

- we have registered the case and their neighbor [REDACTED] who was not expropriated, but because of the cracks on the building they had to move out of their home. Neither is he compensated
- <http://www.theguardian.com/global-development/2013/apr/24/serbia-coal-tremors-mining-communities>

- Residents of the village Radljevo, Ub municipality, say there are about 20 houses that are still not expropriated in part of the village next to the West of open

- appeal mechanism RB Kolubara is below standard <http://bankwatch.org/news->

- preseljenje nije uvek tako idilično kao što su vama prikazali u RB Kolubara  
<http://bankwatch.org/news-media/blog/campaign-update-reality-resettlement-kolubara-out-frying-pan-fire>

Nadalje, što se tiče kupovine brojila:

- optužbe za korupciju pljušte još od juna  
<http://www.balkaninsight.com/en/article/serbian-flood-repairs-spark-fraud-claims>

Stojim na raspolaganju za sve dalje informacije.

Srdačno,  
Nikola Perušić  
060/0687546  
CEKOR

[media/blog/campaign-update-ebrd-not-digging-truth-kolubara-mine-serbia](http://bankwatch.org/news-media/blog/campaign-update-ebrd-not-digging-truth-kolubara-mine-serbia)

- relocation is not always so idyllic as you show in Kolubara

<http://bankwatch.org/news-media/blog/campaign-update-reality-resettlement-kolubara-out-frying-pan-fire>

Furthermore, as regards the purchase of counters:

- Allegations of corruption pouring since June

<http://www.balkaninsight.com/en/article/serbian-flood-repairs-spark-fraud-claims>

I am at your disposal for any further information.

Sincerely,  
Nikola Perušić  
060/0687546  
CEKOR