

The Belgrade solid waste public-private partnership (PPP) has been plagued by legal irregularities and circumvented binding decision-making processes, finds a new analysis published today by CEE Bankwatch Network, Counter Balance and Zero Waste Europe.

In September 2017, the City of Belgrade signed a 25-year PPP for the provision of municipal waste treatment and disposal services with a consortium including France's Suez and Japan's Itochu, for the construction of a 340 000 tonnes per year municipal waste incinerator.

But the city and the International Finance Corporation, its lead transaction advisor, bypassed Belgrade's official waste management plan and urban plans and selected a project company without requiring any municipal waste separation, recycling or pre-treatment to be part of the project – a move likely to bring Serbia into conflict with EU waste targets. The PPP also relies on an outdated subsidies model that is now illegal under EU rules and was approved in breach of Serbian law. EU legislation allows only biodegradable waste to be classified as a renewable resource, not fossil-based waste such as plastic. And new feed-in tariffs are no longer allowed for larger facilities.

The PPP is highly likely to prevent Belgrade contributing to Serbia meeting recycling targets set by EU legislation. This is due to competition for waste materials and financial resources, which is expected to discourage the development of waste prevention, composting and recycling systems. According to Eurostat, in 2017 Serbia recycled only 0.3 percent of municipal solid waste.

Financing has been approved by the IFC, European Bank for Reconstruction and Development (EBRD) and Austrian Development Bank (OeEB), but the European Investment Bank pulled out of the deal, citing clashes with EU waste policies.

Source: bankwatch.org