



JUNE 2025

Compliance Appraisal Report

MIGA Guarantees for Morava Corridor Motorway-03 Project, Serbia

MIGA Project #14629

About CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning at IFC and MIGA.

CAO is an independent office that reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see www.cao-ombudsman.org.

About the Compliance Function

CAO's compliance function reviews IFC and MIGA compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate.

CAO's compliance function follows a three-step approach:

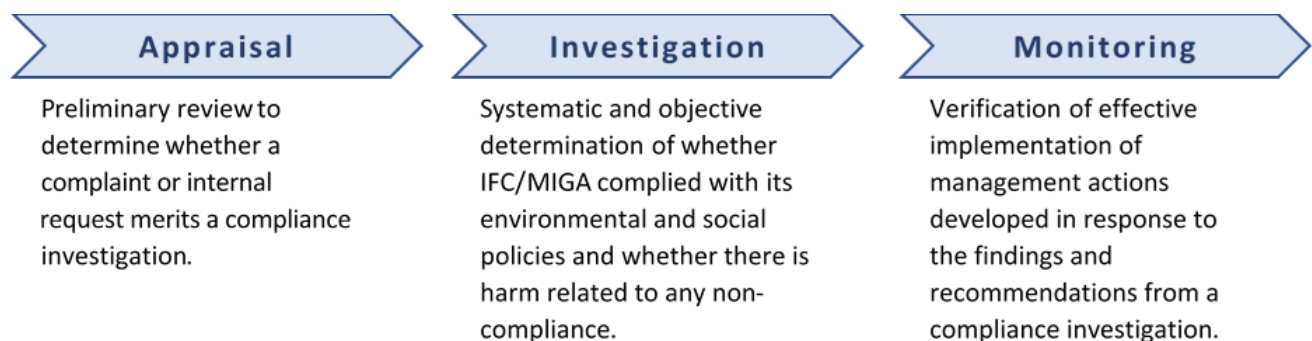


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Acronyms

BEJV	Bechtel-Enka Joint Venture
CAO	Office of the Compliance Advisor Ombudsman (IFC and MIGA)
CoS	Corridors of Serbia
E&S	Environmental and Social
EPC	Engineering Procurement and Construction
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESRS	Environmental and Social Review Summary
IESC	Independent Environmental and Social Consultant
IFC	International Finance Corporation
GM	Grievance Mechanism
GoS	Government of Serbia
MIGA	Multilateral Investment Guarantee Agency
NHSFO	Non-Honoring of a Sovereign Financial Obligation
PS	MIGA Environmental and Social Performance Standards
PAP	Project-Affected People
RAP	Resettlement Action Plan
RLRF	Resettlement and Livelihood Restoration Framework
SEP	Stakeholder Engagement Plan
SP	MIGA Policy on Environmental and Social Sustainability
SMR	Environment and Social Self-Monitoring Quarterly Report

Executive Summary

This report documents CAO's compliance appraisal of a 2024 complaint submitted by an individual about the Morava Corridor Motorway Project, a 112 km highway in central Serbia. The complaint concerned compensation for trees on the individual's expropriated land and the motorway developer's complaint handling procedures. MIGA provided Non-Honoring of a Sovereign Financial Obligation guarantees to six international banks for their loans to the Government of Serbia, which owns the project development company. CAO finds that the complaint against MIGA does not meet the criteria for a compliance investigation, for the reasons described below, and has closed this case.

MIGA Guarantees and the Complaint

In March 2022, MIGA signed a contract of guarantee for EUR 411.4 million, providing Non-Honoring of a Sovereign Financial Obligation (NHSFO) coverage to six international banks for their non-shareholder loans, enabling the Government of Serbia to develop the Morava Corridor motorway and associated infrastructure. In December 2023, MIGA issued a new contract of guarantee for EUR 901.1 million for an additional project loan. MIGA's due diligence for the Morava Corridor Motorway Project, which was classified as Category A, denoting high environmental and social risks, began in December 2019. This occurred a year before land expropriations began in 2020 in the area where the complainant's property is located. The project remains under construction by Corridors of Serbia (CoS/the company), a government-owned limited liability company.

On July 15, 2024, an individual whose land was impacted by the motorway construction lodged a complaint with CAO. The complainant raised concerns about the lack of full expropriation of her land, the valuation of trees on her property, and the project's complaint handling process. After accepting an initial proposal from CoS for the expropriation of 77% of her land in January 2021, the complainant requested full expropriation the following month on the grounds that the remaining portions of her land were within a project "protection zone." After receiving no response from CoS for three years, the complainant filed a complaint with the company's grievance mechanism in May 2024. After again receiving no response, the complainant lodged her complaint with CAO. CAO found the complaint eligible in August 2024 and initiated CAO's assessment process. In September 2024, during CAO's assessment of the complaint, CoS offered the complainant full expropriation and compensation, which she accepted. As a result, CAO did not consider this aspect of the complaint in this compliance appraisal.

The complainant's complaint over the valuation of trees on her property has resulted in an ongoing court case in addition to the complaint to CAO. The complainant states that the local municipality's valuation of her trees, and CoS's subsequent compensation offer, was significantly lower than an expert assessment that she commissioned. The complainant alleges that this improper valuation of her trees, as well as the more than three-year delay in resolving this issue, contravenes MIGA's environmental and social obligations under Performance Standard 1 (Assessment and Management of Environmental and Social Risks and Impacts) and Performance Standard 5 (Land Acquisition and Involuntary Resettlement).

As the complainant and the company did not agree to resolve the complainant's concerns over the compensation for the trees through a CAO-facilitated dialogue, the case was transferred to

CAO's compliance function in February 2025.

MIGA Response to the Complaint

In its Management Response to CAO, MIGA acknowledges the importance of enabling project-affected people to raise complaints and emphasizes its commitment to thorough due diligence and monitoring in this case to ensure PS5 compliance. MIGA also notes that the complainant's 2021 request for full expropriation of her land was approved by Kraljevo municipality in 2022. However, administrative delays postponed the communication of this decision until September 2024, after which the company promptly completed the expropriation offer.

In March 2025, MIGA conducted a site visit in Serbia and met with CoS. MIGA added that it will continue to cooperate with the company and complainant to address any remaining concerns as the dispute moves through the Serbian court process.

CAO Compliance Appraisal Findings

CAO conducts compliance appraisals to assess whether a complaint against IFC or MIGA warrants further investigation. This determination is based on three criteria outlined in the CAO Policy: (a) whether there are preliminary indications of Harm or potential Harm; (b) whether there are preliminary indications of potential MIGA non-compliance with its environmental and social (E&S) policy; and (c) whether there is a plausible link between the alleged Harm and potential MIGA non-compliance.

Regarding land expropriation: As described above, the complainant accepted the company's compensation offer for full expropriation of her land during CAO's assessment phase, and CAO therefore considers the issue resolved and it will not be considered in this compliance appraisal report.

Regarding tree (forest biomass) compensation:

- CAO acknowledges that the complainant may have experienced uncertainty and distress resulting from the lengthy expropriation process and has not yet received compensation for her trees. However, she received an offer based on a municipality valuation that CAO finds consistent with PS5 requirements (para. 27). Moreover, this compensation is under continuing judicial review in the Serbian courts.¹ CAO therefore concludes that, to date, there is no evidence of preliminary indications of Harm.
- CAO concludes that MIGA took the necessary steps to conduct due diligence and supervise issues of economic displacement related to this project under the Sustainability Policy (SP) (paras. 26 and 43). As there are no preliminary indications of potential non-compliance with MIGA's E&S policy, no plausible link between the alleged harm and potential MIGA non-compliance can be established.

Regarding the project grievance mechanism:

¹ CAO Policy, Para. 92. During a compliance appraisal, CAO will also consider the relevance of any concluded, pending, or ongoing judicial or non-judicial proceedings regarding the subject matter of the complaint.

- CAO acknowledges that inefficiencies in the motorway developer's grievance mechanism can lead to delays in resolving complaints, prolonging stress and uncertainty for project-affected people. However, in this case, the issue of inadequate communication has been resolved, since the complainant has had direct contact with CoS since CAO's assessment phase. CAO therefore finds no evidence of preliminary indications of Harm.
- CAO finds no preliminary indications of potential MIGA non-compliance with its Sustainability Policy obligations (paras. 26, 43, and 52) to ensure the project's grievance mechanism complied with PS5 (para. 11). During due diligence, MIGA assured the mechanism's compliance with the requirements of PS5 (para. 11), and IESC reports and MIGA supervision records indicate the mechanism has been operating and communicated to project-affected people since 2021. CAO therefore finds no plausible link between the alleged harm and potential MIGA non-compliance.

CAO Decision and Next Steps

CAO's appraisal analysis focused on the following issues: (i) compensation for trees (forest biomass) on the complainant's property and (ii) the project developer (CoS)'s complaint handling process. Based on the analysis summarized above, CAO concludes that the case will be closed at appraisal.

CAO will share this report with the Board, the World Bank Group President, MIGA Management, the client, and the complainant, and will publish it on CAO's website.

1. Introduction

This section provides an overview of MIGA's guarantees, the landowner's complaint to CAO, and MIGA's Management Response. It also includes a timeline for the project and the CAO case.

1.1. The Morava Corridor Motorway Project and MIGA Guarantees

MIGA, a member of the World Bank Group, signed a contract of guarantee² for EUR 411.4 million (approximately US\$ 451.8 million) on March 15, 2022, to support the large-scale Morava Corridor Motorway Project. The contract provided Non-Honoring of a Sovereign Financial Obligation (NHSFO) coverage to six international banks, namely: JPMorgan Chase Bank, N.A., London Branch; CaixaBank, S.A.; Banco Santander, S.A; UBS Switzerland AG; Credit Agricole Corporate and Investment Bank; and Raiffeisen Bank International AG. Together referred to as the guarantee holders in this report, the banks acted through J.P. Morgan SE as the agent for their non-shareholder loans to the Government of Serbia (GoS) to finance the project. On December 15, 2023, MIGA issued a new contract of guarantee for EUR 901.1 million (US\$976.7 million) for an additional project loan.

MIGA's Environmental and Social Review Summary (ESRS)³ describes the Morava Corridor Motorway Project as a 112 km dual-carriageway tolled motorway, within a 900 meter right of way, built on a greenfield site. The highway is located 200 km south of Belgrade in a low-level floodplain running east/west along the West Morava River Valley across four municipalities and three cities spanning 48 villages. The number of households in these villages varies from approximately 56 to 1,331, with an average household size of 3 people. Additional project infrastructure includes highway interchanges, bridges, culverts, and over/under passes; power lines and cables for telecommunications systems and traffic management; and river regulation works to protect against flooding. For construction planning efficiency, the government divided the project into three sectors, with the complainant's property located in Sector 2. As of March 2025, Sector 1 is open, as is 56 km of Sector 2, with Sector 3 construction works continuing. The target date for completion of the motorway is June 2025.

Serbia's ministries of Finance and Construction, Transport, and Infrastructure are in charge of the project, with Corridors of Serbia (CoS/the company), a government-owned limited liability company, responsible for construction. Bechtel-Enka Joint Venture (BEJV) is the Engineering, Procurement and Construction (EPC) contractor.

MIGA classified the project as Category A (high risk) under its Policy on Environmental and Social Sustainability (2013). During its pre-contract due diligence that was initiated in December 2019, MIGA disclosed the project ESRS and an Environmental and Social Action Plan (ESAP) in October 2021, along with a Resettlement and Livelihood Restoration Framework (RLRF) and three Resettlement Action Plans (RAPs)⁴, one for each sector of the road, designed to facilitate compensation and resettlement for project affected people.

² See <https://bit.ly/3S2lyLJ> and <https://bit.ly/3F7Z4as> for project related information.

³ MIGA Environmental and Social Review Summary Morava Corridor Motorway, available at: <https://bit.ly/42VPBMD>.

⁴ Resettlement and Livelihood Restoration Framework, July 2020, available at: [https:// bit.ly/3L3CFdL](https://bit.ly/3L3CFdL); Resettlement Action Plan – Sector 1, 2, and 3, available at: <https://bit.ly/42VPBMD>.

1.2. Complaint Summary

On July 15, 2024, a resident of the city of Kraljevo whose land was impacted by the project's Sector 2 construction work lodged a complaint with CAO. The complainant raised concerns about: (i) the company's failure to fully expropriate her land, (ii) the valuation of trees on her property, and (iii) the project's complaint handling process. According to the complainant, the improper valuation of her trees, as well as the three-year delay in resolving these issues, contravenes MIGA's E&S Performance Standards 1 (Assessment and Management of Environmental and Social Risks and Impacts) and 5 (Land Acquisition and Involuntary Resettlement).

Land Expropriation: The complainant reported that she received and accepted a proposal from CoS in January 2021 for the expropriation of 77% of her property. The rest of her land was divided by the highway and fell within a government-designated "protection zone."⁵ She had concerns about safety risks associated with traffic accidents, health issues arising from exhaust fumes and noise, as well as difficulties in accessing the divided areas. As a result, in February 2021, the complainant submitted a request for the municipality to expropriate the remaining plots of land but received no response from CoS. After three years of waiting, the complainant stated that she filed a complaint with the company's grievance mechanism in May 2024 but again received no response. However, during CAO's assessment of her case, the complainant was approached by CoS in September 2024 and offered full expropriation and related compensation. The complainant accepted this offer, and CAO therefore considers the issue resolved and not subject to the compliance appraisal.

Valuation of Trees: The complainant alleged that approximately 150 poplar trees on her land were not accounted for during the valuation process conducted by the local Kraljevo municipality in 2020, without contacting her, prior to expropriation. As a result, the complainant did not accept CoS's compensation offer in 2021, which meant the dispute was automatically referred to the Serbian judicial system per the expropriation procedure. The complainant stated that these trees held economic and utility value, and their exclusion from the valuation led to the compensation offer being substantially below the true worth.

Complaint Handling Process: In addition, the complainant raised concerns about the efficiency of the project's complaint handling process and grievance mechanism, citing the three years she spent waiting for responses to requests for full expropriation of her land. After not receiving a response to the complaint she filed with CoS's grievance mechanism in May 2024, the complainant took her concerns to CAO in July 2024. The following month, CAO found the complaint eligible, initiated an assessment, and informed MIGA which in turn informed CoS.

⁵These zones were included in the Spatial Plan of the Special Purpose Area of the Infrastructure Corridor of Highway E-761, Pojata Preljina section, which was determined by the Decree of the Government of the Republic of Serbia in 2020. For the purposes of functioning of the traffic road, which is the subject of the Spatial Plan, and based on the Serbia Public Highways Law, the following zones are prescribed: (i) protective strip (40m width), which is defined as a zone to ensure protection against the harmful impact of the road corridor on the environment. The construction of buildings in the protective zone is not allowed, except for the buildings that serve the purpose of the road and traffic on it. (ii) controlled building zone (40m width), which serves as the road corridor and its unhindered functioning in space. The construction of buildings in this zone is allowed on a selective basis with the preparation of appropriate planning documentation.⁶ See CAO website for case details. <https://bit.ly/3GMYD65>.

As a result, and during the assessment process, CoS engaged with the complainant directly for the first time, resulting in the resolution of her request for full expropriation of her land and compensation. However, the complainant and CoS did not agree to resolve the remaining issue regarding valuation of and compensation for the complainant's trees through a CAO-facilitated dialogue. In accordance with the CAO Policy, the case was therefore transferred to CAO's Compliance function in February 2025 for an appraisal of MIGA's environmental and social performance.⁶

The full complaint is attached to this report as Appendix 1.

1.3. MIGA Management and Company Response

In its response to the complaint, MIGA acknowledged the importance of enabling project-affected people to raise complaints regarding the impact of the Morava Corridor Motorway project. MIGA emphasized that it conducted extensive due diligence and regular monitoring to ensure the project complied with the requirements of Performance Standard 5 (PS5) on Land Acquisition and Involuntary Resettlement.

Regarding the complainant's specific concern about land expropriation, MIGA stated that the local municipality of Kraljevo made the decision to fully expropriate the Complainant's land in 2022, following her initial request. However, the decision was not communicated to the complainant or CoS due primarily to administrative changes and delays.

For its part, the company recognized that there was a break in communication with the complainant, noting to CAO that the complaint she filed through its grievance mechanism in May 2024 did not go through due to a technical issue affecting the server. Once informed of the complaint to CAO, the company says it acted promptly to complete the full expropriation of her land in September 2024, resolving this part of the complaint.

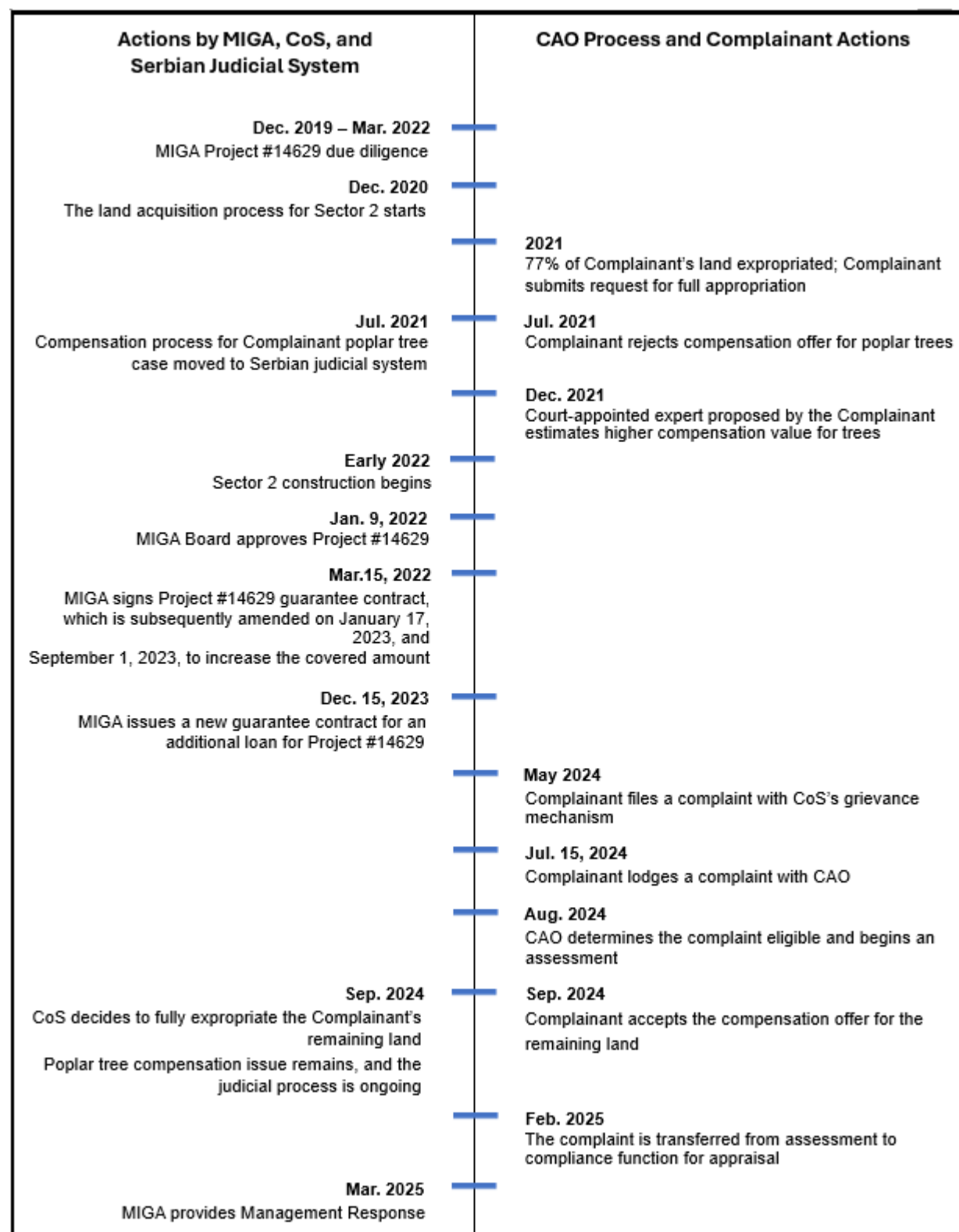
Regarding the unresolved valuation of and compensation for the complainant's trees, which is now being addressed through the Serbian judicial system, MIGA states that it continues to engage with the company to ensure the project's compensation process aligns with PS5 requirements.

MIGA asserts that it has followed all applicable procedures for E&S due diligence and monitoring related to this project. MIGA's ongoing monitoring of the project's implementation will include the completion of a Resettlement Action Plan (RAP) audit for Sector 2, which includes the complainant's former land, and MIGA will continue to engage extensively with the company to address any remaining concerns in the complaint.

The full MIGA Management Response is attached to this report as Appendix 2.

⁶ See CAO website for case details. <https://bit.ly/3GMYD65>.

Figure 1. Project and Complaint Timeline



2. Compliance Appraisal Scope, Methodology, and Process

The scope of this CAO compliance appraisal is limited to issues raised in the complaint and CAO's Assessment Report and covers an analysis of the three appraisal criteria required to determine whether to initiate a compliance investigation. These criteria are:

- (a) Whether there are preliminary indications of harm or potential Harm
- (b) Whether there are preliminary indications that MIGA may not have complied with its E&S policies
- (c) Whether the alleged harm is plausibly linked to the potential MIGA noncompliance.

CAO's appraisal decision is based on these appraisal criteria and other relevant considerations contained in the CAO Policy. The appraisal involved a preliminary review of the following information:

- Documentation related to the complaint, CAO's Assessment Report, and MIGA's Management Response
- Basic project documentation shared by MIGA and available on its website
- Information gathered through conversations with the complainant and MIGA staff
- Relevant publicly available documentation.

CAO extends its appreciation to all parties mentioned in this Compliance Appraisal Report who have shared their perspective, knowledge, and time with the CAO compliance team.

3. CAO Appraisal Analysis

Taking into consideration the complaint, MIGA's Management Response, and available documentation and information, the appraisal analysis focused on the following: (i) valuation of forest biomass⁷ on the complainant's property and (ii) the project's complaint handling process. For each issue, CAO presents analysis and findings regarding preliminary indications of Harm and of MIGA non-compliance, and whether any alleged Harms are plausibly linked to non-compliance.

As detailed above, CAO concluded that the additional complaint issue of full expropriation of the complainant's land was resolved during CAO's assessment phase, as the complainant accepted full compensation from the company for her property and land plots in September 2024.

Based on the evidence below, CAO will close at appraisal the remaining issues regarding forest biomass valuation and CoS's complaint handling process, as CAO found no preliminary indications of MIGA non-compliance with its E&S policies.

⁷ According to the court-appointed and complainant-appointed experts, the valuation includes the property's forest biomass, which covers firewood, industrial wood, sawlogs and waste.

3.1. Compensation for Trees (Forest Biomass)⁸

3.1.1. Preliminary Analysis of Harm

Under the terms of the motorway project's Environmental and Social Impact Assessment (ESIA) and RLRF, reviewed by MIGA, local tax administrations along the highway route govern the expropriation process and determine the value of property owners' land and assets by assigning accredited external experts to conduct assessment and valuation while the motorway developer, CoS, is responsible for expropriation negotiations, offers, and payments.

In this case, the complainant disagreed with the compensation offer for forest biomass located on several plots of her expropriated land (calculated by number of trees, volume per cubic meter, and their economic value), which was based on a valuation process conducted by an expert assigned by the Kraljevo municipality in 2020. Although the complainant accepted the compensation valuation for the 77% of her land in January 2021, she rejected the offer for the forest biomass, leading to the case being automatically referred to the Serbian judicial system per the expropriation procedure. The complainant argued that the trees held economic and utility value, and that incorrect calculations during valuation led to a compensation offer substantially below what she believes to be true worth.

During the 2024 CAO assessment phase, the complainant repeated her assertion that the 2020 Kraljevo municipality expert opinion regarding her property's number of trees, volume of wood, and its economic value underestimated the worth of the forest biomass. She claimed that the number of trees calculated by the Kraljevo municipality expert did not correspond to the existing volume on her property at the time of expropriation and was inconsistent with the value presented by the court-appointed expert proposed by the complainant in December 2021.

The CAO Policy defines Harm as any material adverse E&S effect on people or the environment resulting from a project or sub-project.⁹ In this case, although the complainant has not yet received compensation for the forest biomass on her property, the compensation is under continuing judicial review in the Serbian courts.¹⁰ CAO therefore concludes that, to date, there is no evidence of preliminary indications of Harm.

3.1.2. Relevant MIGA E&S Requirements and Preliminary Analysis of MIGA Policy Compliance

CAO's analysis considered MIGA's pre-investment E&S due diligence and supervision of the project's land acquisition process in accordance with the requirements of MIGA's Sustainability Policy (paras. 26 and 43) and Performance Standard 5 (paras. 25 and 27).¹¹

Pre-investment due diligence

⁸ The term forest "biomass" is used to refer to wood and residues in the context of property valuation. Forest biomass encompasses organic materials, including trees, that can be utilized for energy production or other industrial purposes, wood waste and ash.

⁹ CAO Policy, Glossary.

¹⁰ CAO Policy, Para. 92. During a compliance appraisal, CAO will also consider the relevance of any concluded, pending, or ongoing judicial or non-judicial proceedings regarding the subject matter of the complaint.

¹¹ PS5 is applied when projects involve land acquisition or land use restrictions that adversely impact communities and individuals. Involuntary resettlement, which encompasses both physical (relocation or loss of shelter) and economic displacement (loss of assets or access leading to loss of income or livelihood), is involuntary when affected parties cannot refuse the land acquisition or restrictions.

MIGA's Sustainability Policy (para. 26) mandates a thorough approach to environmental and social due diligence of projects receiving guarantees. This involves reviewing all relevant information on the business activity's E&S risks, conducting site inspections and stakeholder interviews, and analyzing the activity's performance against the Performance Standards (PS). Where MIGA's due diligence identifies gaps, these are addressed through additional measures agreed with the client and outlined in a project ESAP to ensure the business activity continuously improves its E&S performance. In cases involving displacement of project-affected people, PS5 (paras. 19 and 25) requires the client, including the Project Enterprise,¹² to develop both a Resettlement Action Plan (RAP) and a Livelihood Restoration Plan (LRP) to compensate affected persons and/or communities and offer other assistance to meet the objectives of this Performance Standard.

PS5 (paras. 25 and 27) emphasizes the importance of providing compensation at full replacement cost to economically displaced individuals who suffer the loss of assets or access to assets as a result of a MIGA-guaranteed development project. Full replacement cost compensation is defined as the actual cost of replacing lost assets based on current market values as well as any additional costs associated with acquiring new assets.

MIGA's pre-investment Environmental and Social Review Summary (ESRS)¹³ for the Morava motorway project, published in 2021, outlined requirements involving permanent and temporary land acquisition for construction, river regulation works, and temporary facilities.

According to the ESRS, the land acquisition process was governed by Serbian Expropriation Law¹⁴ and involved initial agreements with property owners followed by asset identification and compensation assessments. The motorway developer, CoS, is responsible for managing land acquisition and ensuring the process complies with MIGA's PS5 E&S requirements summarized above. Since the company is government-owned, land acquisition for this project is considered Government-led resettlement under PS5.

As reported in the ESRS, the project's Resettlement and Livelihood Restoration Framework (RLRF) and associated RAPs outline principles, objectives, and procedures to address gaps between national legislation and PS5 requirements. Consultations with Project Affected People (PAP) and grievance mechanisms are integral to the land acquisition and resettlement process, with ongoing monitoring and audits by an independent third party no later than 12 months following completion of each sector's land acquisition process or livelihood restoration measures, whichever is later to ensure compliance and address residual impacts. Additionally, the project's

¹² According to MIGA Performance Standards on Environmental and Social Sustainability (2013), the term "Client" used throughout the Performance Standards refer to the Project Enterprise or the Guarantee Holder (as these terms are formally defined in MIGA's Contract of Guarantee), or the borrower of any loan guaranteed by MIGA, as is appropriate in the context. The Project Enterprise takes the actions necessary to implement the Performance Standards. MIGA generally has no contractual relationship with the Project Enterprise, thus MIGA seeks to enforce its environmental and social requirements.

¹³ MIGA Environmental and Social Review Summary Morava Corridor Motorway, available at: <https://bit.ly/42VPBMD>.

¹⁴ Land acquisition in Serbia is governed by Expropriation Law "Official Gazette RS", No. 53/95, including amendment 23/01, 20/09, and 55/13; <https://bit.ly/42VPBMD>.

ESIA¹⁵ provided social and economic baselines for affected sectors and preliminarily identified the 112 km highway's impacts on the PAPs.

In December 2021, MIGA reviewed the RLRF and RAPs, which were provided respectively by the construction contractor Bechtel ENKA UK Limited (BEJV) and Corridors of Serbia. MIGA found that these documents were adequate and aligned with PS5. The project ESAP disclosed with the ESRS in October 2021¹⁶ also included specific actions to address motorway-related physical and economic displacement issues, namely implementation of RAPs for Sectors 1 and 3, and the finalization, disclosure, and implementation of the RAP for Sector 2. In addition, the ESAP required post-construction updates, such as revising RAPs for all sectors to address residual impacts after construction and conducting independent third-party resettlement completion audits for each motorway section.

The Resettlement and Livelihood Restoration Framework was developed by a consultant company hired by BEJV as part of the project ESIA. It outlined the key land acquisition and resettlement principles and objectives for CoS to follow as well as the organizational arrangements to ensure management of land acquisition and project access to land. CoS hired another consultant company to prepare a Resettlement Action Plan for each project sector to address needs and requirements with respect to the physical and economic displacement of PAPs.

These plans contained detailed provisions designed to comply with national legislation and World Bank Group requirements. These included: IFC/MIGA Performance Standards on Environmental and Social Sustainability 2012, in particular PS5; the World Bank's Environmental and Social Framework, Environmental and Social Safeguard 5; and IFC's Good Practice Handbook: Land Acquisition and Resettlement, 2019.

The November 2021 RAP for the motorway's Sector 2, which includes the complainant's property, outlined a comprehensive framework for managing the multi-step expropriation process that began in April 2019. The motorway developer, CoS, first obtains detailed information about affected individuals and their assets from the Republic Geodetic Authority, following which expropriation requests are submitted to the relevant municipalities, which undertake valuation studies to assess the market value of the affected assets. The process then moves to the submission of compensation offers by CoS, with PAPs entitled to cash compensation for both their land and forest biomass at full replacement cost. The RAP includes cash compensation at replacement cost, which encompasses the market price of the wood, determined based on the value of the wood on the stump, plus a transitional allowance (if applicable).

Negotiation of compensation costs and the signing of agreements between the motorway developer, CoS, and landowners constitute the final step in the expropriation process. Owners receive written offers detailing the compensation amounts for their land, plants, and structures, as determined by the municipal tax authority. This stage is characterized by dialogue and

¹⁵ Morava Corridor Motorway Project Environmental and Social Impact Assessment, available at: <https://bit.ly/3XHfBbK>.

¹⁶ Morava Corridor Motorway Project Environmental and Social Action Plan, available at: <https://bit.ly/4kmhhQJ>.

negotiation, where owners have the option to either accept compensation from and sign agreements with CoS or reject the offers and pursue court procedures.

Supervision

MIGA's supervision program, as detailed in its Sustainability Policy (para. 43), is a continuous monitoring process that ensures projects remain in compliance with environmental and social requirements including agreed ESAPs and relevant Performance Standards.

For this project, available information shows that MIGA has conducted quarterly monitoring through Independent Environmental and Social Consultant (IESC) hired by the guarantee holders, utilizing the RAP for Sector 2 and the RLRf documents as key references.

IESC monitoring from November 2022 to February 2025 confirms that the company implemented actions related to the physical and economic resettlement of property owners affected by motorway construction. The IESC held discussions with CoS representatives on the ongoing implementation of land acquisition and the RAPs, as well as progress in resolving court cases. According to IESC monitoring reports submitted to MIGA, the administrative steps for expropriation have been completed, shifting the project's focus to judicial processes where compensation decisions are pending in court.

Regarding Sector 2, where the complainant's property is located, the IESC noted that CoS addressed additional expropriation needs for parcels of land deemed unviable due to access restrictions. Each case has been evaluated individually, with Article 10 of Serbian Law¹⁷ serving as a tool for affected landowners to seek additional expropriation when access is restricted. The IESC also noted that CoS is engaging with the Ministry of Justice and Ministry of Infrastructure to expedite court resolutions.

Regarding this case, according to the complainant, she received and rejected the compensation offer for forest biomass in July 2021. Under the RAP expropriation process, if a land owner rejects their compensation offer, a court procedure is automatically initiated. The complainant then presented in court an opinion by her own expert on December 24, 2021, which estimated the forest biomass' worth at 4.6 times that of the accredited external experts assigned by municipality. However, between May and September 2022, civil works reportedly destroyed evidence on the land, hindering the complainant's ability to substantiate her claims. These events culminated in an inconclusive court hearing on December 14, 2022.

According to information provided to CAO by MIGA, a nationwide Lawyers' Association strike in Serbia resulted in the cancellation of a court hearing in the case and an associated site visit to the complainant's land in March 2025. A new date for these events has not yet been set. The company informed MIGA that it has no control over the scheduling of court dates and that once the court hearing and site visit are completed, the court will issue minutes detailing its factual findings and any procedural next steps such as the need for additional evidence, valuation assessments, or further site visits. The company also clarified the legal process following a court

¹⁷ Law on the Establishment of a Public Interest and Special Procedures for the Implementation of the Project for Construction of the Infrastructure Corridor of the E-761 Motorway section Pojate-Preljina (Official Gazette of RS, No. 49/19) adopted in July 2019.

ruling, noting that both parties have the right to appeal, resulting in referral of the case to the Higher Court in Serbia. This court could either uphold the appeal, reject it and confirm the initial ruling, or return the case to the lower court for correction of any identified errors.

For its part, MIGA conducted a mission in Serbia in March 2025 to collaborate with CoS on compliance with PS5 in terms of physical and economic displacement. In terms of next steps, MIGA reports that the company will provide timely inputs to the court when requested and will attend the court site visit when scheduled.

Based on a review of available information, CAO concludes that there are no preliminary indications of potential MIGA non-compliance in relation to Sustainability Policy (paras. 26 and 43) requirements. CAO's rationale for this conclusion is summarized below:

- MIGA reviewed the project RLRF and RAP during its pre-investment E&S due diligence, determining that these plans comply with PS5 concerning physical and economic displacement of PAPs, including loss of land and assets. The RLRF stipulates that people who lose land, access to land, or are otherwise economically or physically displaced, must be compensated.
- MIGA's supervision activities adhere to its Sustainability Policy (para. 43), and there are indications that MIGA collaborated with the company to ensure PS5 compliance during its supervision visit to Serbia in March 2025. Furthermore, CAO finds that the compensation proposals for full land expropriation included the complete replacement cost as specified in PS5 (paras. 25 and 27).
- Under the project's Sector 2 RAP process, the value of the complainant's trees was assessed by an accredited valuation expert appointed by the municipality of Kraljevo, and a forest biomass compensation offer was provided on July 15, 2021, which the complainant did not accept. Verifying the assessment by the accredited valuation expert falls outside the scope of this appraisal. At the same time, CAO finds that the engagement of an accredited valuation expert to be consistent with PS5 requirements (para. 27) and therefore finds no indication of non-compliance with MIGA policies on this matter.

3.1.3. Analysis of Plausible Link between Harm Allegations and Potential MIGA Noncompliance

Lastly, a CAO compliance appraisal must consider whether "the alleged Harm is plausibly linked to the potential noncompliance." Since there are no preliminary indications of potential MIGA noncompliance in relation to its Sustainability Policy obligations, the question of a plausible link between allegations of Harm and potential noncompliance cannot be established.

3.2. Grievance Handling Process

3.2.1. Preliminary Analysis of Harm

The 2024 complaint to CAO also raises concerns about the efficiency of the project grievance mechanism operated by CoS. The complainant's land expropriation process had been ongoing for over three years but remains uncompleted despite her appeals to the company.

In 2021, the complainant's land was partially expropriated for the project, and she requested the remaining area to be fully expropriated since her remaining plots of land would be divided by the motorway. After not receiving a response from CoS for three years, she filed a complaint with the company's grievance mechanism in May 2024. After two further months of failing to receive any response, the property owner lodged her complaint with CAO in July 2024, including her concerns about the inefficiency of the project's grievance mechanism.

CAO acknowledges that inefficiencies in the company's grievance mechanism can lead to delays in resolving complaints, causing the potential for prolonged stress and uncertainty for property owners and other PAPs along the motorway route. In addition, there are no defined deadlines for the resolution of these cases when they are referred to judicial procedures, which depend on the capacities and workload of the local courts. However, in this case, the issue of inadequate communication has been resolved, since the complainant now has direct contact with the company following CAO's acceptance of the case.

While CAO acknowledges that the complainant may have experienced uncertainty and distress resulting from the length of the expropriation process, the complainant ultimately received an offer for the assets (wood mass) that are subject to ongoing dispute, and her case for higher compensation remains in the court system. Consequently, CAO concludes that there are no preliminary indications of Harm.

3.2.2. Relevant MIGA E&S Requirements and Preliminary Analysis of MIGA Policy Compliance

CAO's analysis considered MIGA's pre-investment E&S due diligence (ESDD) and supervision of the project's grievance mechanism in accordance with SP (para. 26, 43, and 52) and PS5 (para. 11) requirements.

Pre-investment due diligence

Under the Sustainability Policy (para. 26), MIGA is required to conduct due diligence that includes identifying any gaps between the Project Enterprise's performance and MIGA's E&S requirements.

In relation to redress for PAPs, the Sustainability Policy (para. 52) requires project operators to establish and manage appropriate mechanisms to address grievances and complaints, taking into account the host country's administrative and legal procedures. In addition, PS5 (paras. 10 and 11) requires the Project Enterprise to conduct a process of stakeholder engagement with affected communities and mandates the creation of a grievance mechanism in alignment with PS1 to receive and address concerns regarding compensation and relocation promptly and impartially. For transparency, PS5 (para. 11 and GN31) also states that affected individuals should be informed about the legal remedies available to them.

The motorway developer, CoS, hired a consultant company to prepare a Stakeholder Engagement Plan (SEP) as part of the project ESIA in January 2019. The SEP included a grievance mechanism, whose purpose was to serve both as a project-level information center and as a means for project-affected people to lodge complaints. The subsequent project ESAP required the grievance mechanism's development and implementation as an attachment to the

project ESRS. The grievance mechanism documents were reviewed by MIGA in December 2021 prior to the project's approval.

Supervision

MIGA supports its clients in addressing environmental and social issues arising from their business activities/ by requiring them to set up and administer appropriate mechanisms and/or procedures to address related grievances and complaints from affected communities (SP para. 52).

PS5 (para. 11) requires the client company – in this case Corridors of Serbia – to establish a grievance mechanism as early as possible in the project development phase. This allows the company to receive and address specific concerns about compensation and relocation raised by displaced people or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner.

In this case, the grievance mechanism that CoS established in 2021 was designed to accept, acknowledge, record, investigate, and respond to grievances, as well as provide a discussion of their resolution. The government-owned company made a provision for grievances to be communicated via email, telephone, or in person at addresses listed on its website.

After issuing the guarantee, MIGA monitored implementation of the Morava Corridor Motorway Project quarterly through an independent expert consultant (IESC). This quarterly monitoring included review of the grievance mechanism's effectiveness as well as implementation of the project's RAPs. Specifically, the IESC monitors the number of complaints received, identifies the main complaint issues, and reviews CoS's complaint handling process and related lawsuits in the judicial courts, including those raised in the land expropriation process. IESC reports and MIGA supervision records indicate that CoS's community grievance mechanism has been established, operating, and communicated to project-affected people since 2021.

However, the IESC monitoring reports from 2022 noted that issues of expropriation were not documented as grievances in the company's records. In December 2022, the IESC advised MIGA that grievances over land acquisition that escalate to legal proceedings should be recorded and communicated in the client's reports to MIGA. Such grievances were subsequently recorded and included in the following project's monitoring reports.

IESC reports from 2022 and 2023 also highlighted the slow pace at which court resolutions and the disbursement of compensation to people affected by the project were proceeding. Project-affected people who contested the proposed compensation amounts or made additional expropriation requests were awaiting compensation pending the court's decision on their cases.

In its reports from 2024, the IESC found that the engagement, grievance management, and public relations activities conducted by CoS continue to be generally comprehensive, with the team appropriately resourced to undertake this work.

Based on a review of this available information, CAO finds no preliminary indications of potential MIGA non-compliance with its Sustainability Policy obligations (paras. 26, 43, and 52) to ensure the project's grievance mechanism complied with PS5 (para. 11). MIGA reviewed the company's GM during due diligence and found it to comply with the above requirements. During supervision,

IESC reports and MIGA supervision records indicate that a community grievance mechanism was established and has been operating and communicating with project-affected people since 2021. MIGA's supervision activities thus adhere to its Sustainability Policy, and MIGA, through the independent consultant, also worked with the client to ensure PS5 compliance in this area.

3.2.3. Analysis of Plausible Link between Harm Allegations and Potential MIGA Noncompliance

Lastly, a CAO compliance appraisal must consider whether “the alleged Harm is plausibly linked to the potential noncompliance.” Since there are no preliminary indications of potential MIGA noncompliance in relation to its Sustainability Policy obligations, the question of plausible link between allegations of Harm and potential noncompliance cannot be established.

4. Additional Appraisal Considerations

Under the CAO Policy (para. 92), CAO compliance appraisals must take into account relevant additional considerations, including:

- Whether MIGA Management has clearly demonstrated that it dealt appropriately with the issues raised by the complainant or in the internal request and followed E&S policies or whether Management acknowledged that it did not comply with relevant E&S policies
- The relevance of any concluded, pending or ongoing judicial or non-judicial proceeding regarding the subject matter of the complaint
- Whether Management has provided a statement of specific remedial actions, and whether, in CAO's judgment after considering the complainant's views, these proposed remedial actions substantively address the matters raised by the complainant.

CAO notes that MIGA acted in accordance with its Sustainability Policy obligation to identify and review opportunities for improving client performance (para. 43), following receipt of the complaint. Specifically, MIGA reviewed PS5 compliance by motorway developer CoS with respect to the complainant's allegations of the right to full land expropriation, the compensation offers for forest biomass, and the company's complaint handling process.

The project's Resettlement Action Plan's (RAP) expropriation process for affected households, which MIGA reviewed states that if a land owner rejects the company's compensation offer, a court procedure will be initiated. In July 2021, the complainant did not accept the company's forest biomass compensation offer. During the subsequent and ongoing court procedure, a court-appointed expert proposed by the complainant estimated the compensation value to be approximately four times higher than the company's offer. Under the RAP, the company will pay the sum determined by the court's final decision as dictated by national law.

5. CAO Decision

CAO determines that the complaint relating to the Morava Corridor Motorway project guaranteed by MIGA does not merit a compliance investigation and will close the case.

CAO will share this Compliance Appraisal Report with the Board, the World Bank Group President, MIGA Management, the company, and the complainant. CAO will publish this report as well as MIGA's Management Response on its website.

Appendices

Appendix 1: Complaint

July 15, 2024

Delivered via email: cao@worldbankgroup.org

Complaint to MIGA/CAO World Bank

Dear Sir/Madam,

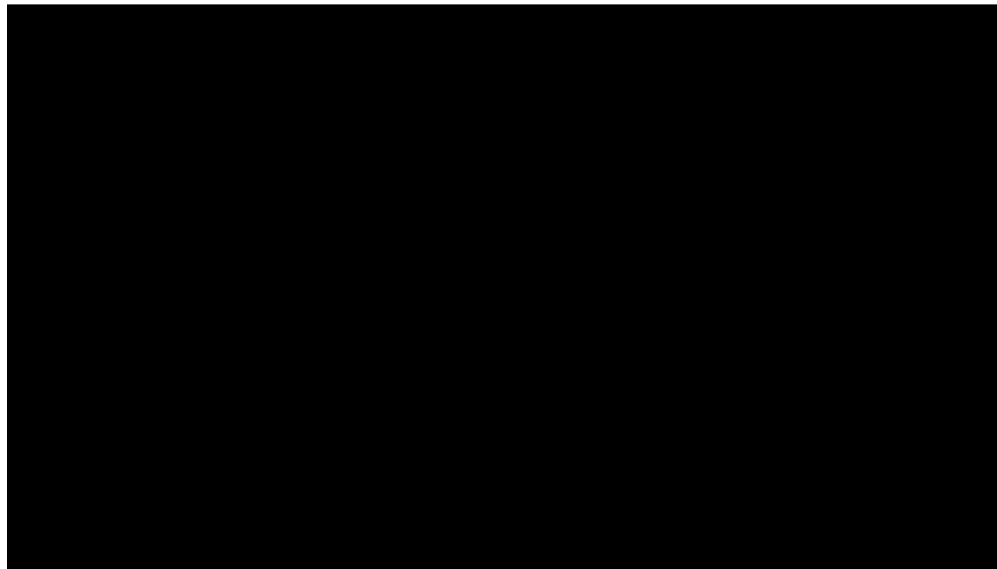
I hope you are doing well.

I raised my grievance with the CoS more than a month ago regarding the IFC PS's non-compliance, and they have not resolved my issue (ongoing for more than 3 years). The terms of the MIGA loan require the non-compliance to be resolved within 10 days. As this has not been done, I am escalating my concerns to MIGA and the CAO of the World Bank.

Below is my grievance:

Dear Sir/Madam,

I am the owner of a plot in Vrba (old number before the parceling KO [REDACTED], new numbers of the same plot: [REDACTED] through which the Moravian Corridor has passed.



On January 18, 2021, a proposal to expropriate part of the parcel with an area of [REDACTED] m² was accepted.

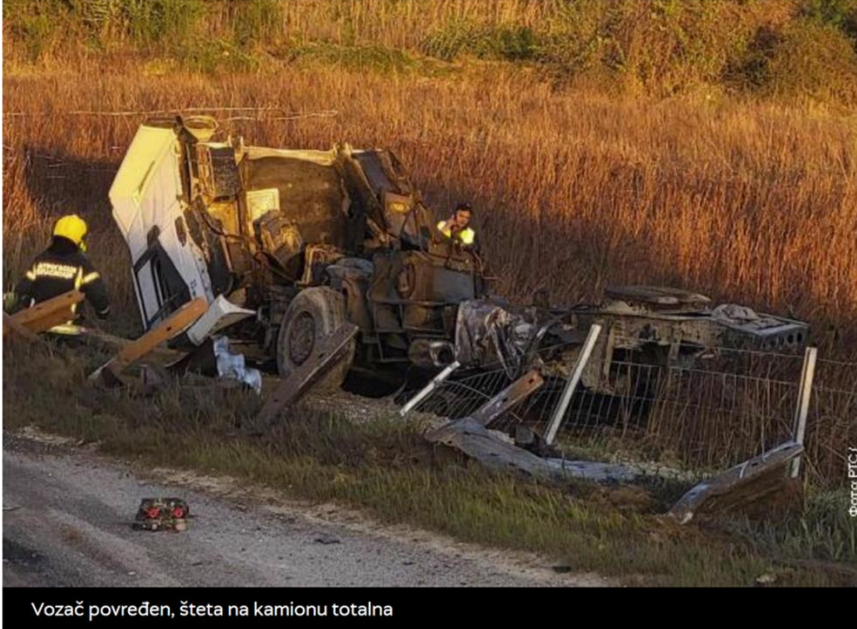
On February 22, 2021, a request was submitted to expropriate the remaining part of the parcel with an area of [REDACTED] m² according to Article 10 of the Expropriation Law. The remaining part of the parcel is located in a protection zone which, according to the spatial plan, serves to protect the environment from the harmful effects of the highway.

Neither I nor the other members of my family are able to use the remaining part of the parcel due to the negative impact of the highway:

- The lives of people in the protection zone are endangered due to the risk of vehicles veering off the highway, as recently happened on the Morava Corridor when a sleeper ended up in the protection zone.

Below is the photo of the Lorry that ended up in the Buffer zone of Morava Corridor Motorway (not on my plot of land but on the same motorway.)

Nesreća na Moravskom koridoru desila se oko 6.15, na deonici Moravskog koridora od Jasike ka Koševima.



NEVEROVATNA SLIKA ŠLEPERA KOJI JE SLETEO U KANAL NA MORAVSKOM KORIDORU: Vozač povređen, šteta na kamionu totalna (FOTO)

- Harmful effects of the highway on health – exhaust gases and particles resulting from vehicle use, as well as noise pollution, are just some of the factors that prevent the use of the remaining parcels.

Furthermore, the majority of the parcel (77%) was initially expropriated, and the remaining two parts are located on different sides of the highway, making their use significantly difficult.

As you are aware, the Morava Corridor highway is partially financed by the syndicate MIGA Loan Agreement of 400,000 Euros (initially).

The loan terms require compliance with MIGA standards. If these standards are violated, the loan terms are breached, and the Government of Serbia/Ministry of Finance/Corridors has 10 days to correct the violations.

I believe the following MIGA standards have been violated:

Performance Standard 1 requires that the grievance process be efficient and resolve issues quickly.

I applied for the application of Article 10 in February 2021, and now it is May 2024. The fact that my issue has not been resolved for 3 years indicates that the grievance process is not efficient and that the problem has not been resolved quickly.

In addition to this issue, I also appealed the valuation of the trees on my parcels because 150 poplar trees were not accounted for. This issue went to court but has not yet been resolved. This also indicates that the grievance process is not efficient and that problems are not resolved quickly.

Performance Standard 1 requires respect for human rights. When I compare my case with others in similar situations, their cases have been resolved, but mine has not. This indicates illegal discrimination, and my human rights are being violated.

Performance Standard 5 states that if restrictions are placed on land use, it is considered involuntary resettlement, and compensation must be paid.

By placing my parcels in the protection zone, restrictions have been imposed on the use of the land. Due to the risk of trucks and other vehicles veering off the highway, exhaust gases and other particles, and noise pollution, I am unable to use my parcels without endangering my and my family's lives. Therefore, restrictions have been imposed, but compensation has not been paid.

Potential Violation: The standard requires that when determining the amount of compensation, the compensation should be adjusted for inflation between January 2021 and May 2024. There is a risk that this will not be honoured, so I would like to draw your attention to the fact that this is also a requirement of the standard.

Could you please help resolve my grievance in accordance with the IFC Performance Standards?

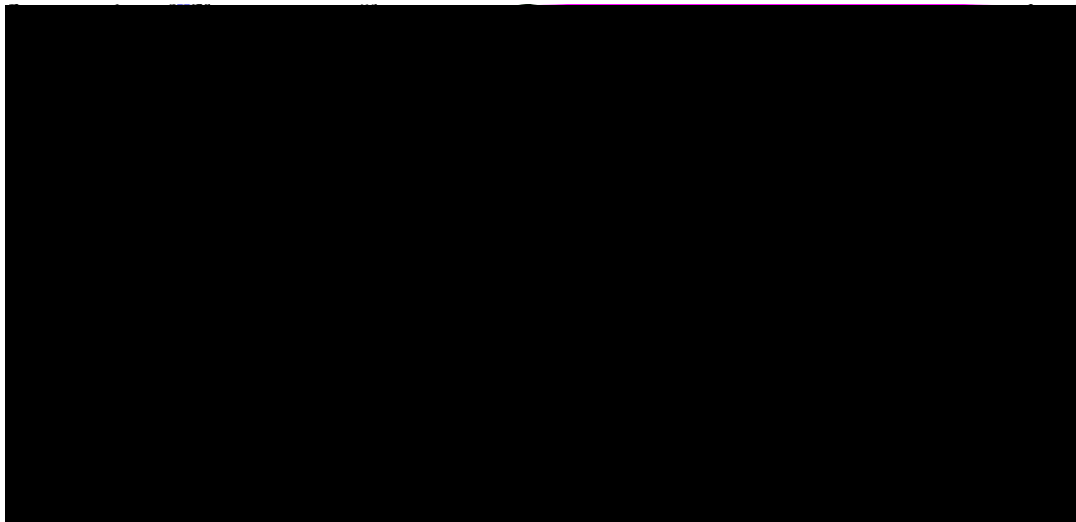
Kind regards

[REDACTED]

ŽALBA VAŽNO- Krsenje MIGA standarda

Postovani,

Vlasnik sam parcele u Vrbi (stari broj pre parcelacije KO [REDACTED], Novi Brojevi iste parcele: [REDACTED]) preko koje je prosao Moravski koridor.



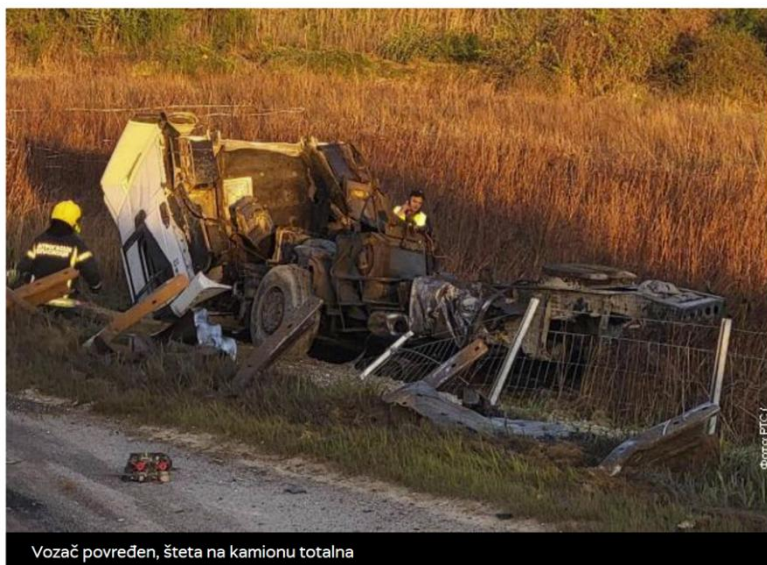
Dana 18 Jan 2021 je prihvacen predlog da se eksproprise deo parcele površine [REDACTED].

Dana 22 Feb 2021 podnet je zahtev da se eksproprise preostali deo parcele površine [REDACTED] po Clanu 10 Zakona o eksproprijaciji. Preostali deo parcele se nalazi u zastitnom pojasu koji po prostornom planu služi da se okolina zaštiti od stetnog uticaja autoputa.¹

Ja ni ostali clanovi moje porodice nisam u mogućnosti da koristim preostali deo parcele zbog negativnog uticaja autoputa:

- Zivot ljudi koji se nalaze u zastitnom pojasu je ugrožen zbog rizika da vozila izlete sa autoputa, kao sto se nedavno desilo na delu Moravskog koridora kada je sleeper završio u zastitnom pojasu:

Nesreća na Moravskom koridoru desila se oko 6.15, na deonici Moravskog koridora od Jasike ka Koševima.



Vozač povređen, šteta na kamionu totalna



NA DEONICI SAOBRAĆAO JASIKE KA KOŠEVIMA

NEVEROVATNA SLIKA ŠLEPERA KOJI JE SLETEO U KANAL NA MORAVSKOM KORIDORU: Vozač povređen, šteta na kamionu totalna (FOTO)

- Stetni uticaj autoputa na zdravlje – izduvni gasovi i cestice koje nastaju koriscenjem vozila, bučno zagađenje su samo neki od faktora koji onemogućavaju koriscenje preostalih parcela.

Nadalje, vecina parcele (77%) je inicijalno eksproprisana, a preostala dva dela se nalaze sa razlicitih strana autoputa sto cini njihovo koriscenje znatno otezano.

Kao sto ste upoznati, autoput Moravski koridor se delom finansira sindikalnim Miga Ugovorom o Kreditiranju 400,000 Evra (inicijalno).

Uslovi kreditiranja zahtevaju de se postuju MIGA standardi. Ukoliko dodje do krsenja ovih standarda, krse se uslovi kreditiranja i Vlada Srbije/Ministarstvo Finansija/Koridori, imaju 10 dana da isprave krsenje istih.

Smatram da su sledeci MIGA standardi prekršeni:

Standard rezultata 1 zahteva da se zalbeni postupak bude efikasan i da problem brzo resavaju.²

Ja sam aplicirala za prmenu Clana 10 u Februaru 2021 godine, sada je Maj 2024. Resavanje mog problema 3 godine govori da zalbeni postupak nije efikasan I takodje da problem nije brzo resen.

Osim ovog problema, takodje sam se zalila na procenu zasada na mojim parcelama, jer 150 stabala topole nisu uracunati. Ovaj problemje otisao na sud, ali jos uvek nije resen. Takodje to govori da zalbeni process nije efikasan i da se problem ne resavaju brzo.

Standard rezultata 1 zahteva da se postuju ljudska prava.³ Kada uporedim svoj slucaj sa drugima koji su se nalazili u slicnoj situaciji, njihov slucaj je resen a moj jos uvek nije. Tu imamo nezakonitu diskriminaciju I moja ljudska prava se krse.

Standard rezultata 5 kaze da ukoliko je ogranicenje stavljeno na koriscenje zamlje, to se podrazumeva kao nedoborovoljno preseljenje i kompenzacija treba da se isplati.⁴

Stavljanjem mojih parcela u Zastitni pojas, restrikcije su postavljene na koriscenje zemljista – zbog rizika od udara kamiona i drugih vozila koji slecu sa autoputa, izduvnih gasova i drugih cestica, bucnog zagađenja ja nisam u stanju da koristim moje parcele a da ne dovedem svoj i zivot moje porodice u opasnost. Dakle restrikcije su postavljene ali kompenzacija nije isplacena.

Potencijalno kršenje: Standard zahteva da kada se bude odlucivala visina nadoknade, nadoknada treba da bude prilagodjena za inflaciju izmedju Januara 2021 i Maja 2024. Postoji rizik da ovo ne bude ispostovano, tako bih vam skrenula paznju da je i to jedan od zahteva standarda.⁵

Molim vas da ispravite ova kršenja standarda u roku od 10 dana koliko vam je odredjeno po uslovima kreditiranja. Ukoliko to ne ispravite bicu prinudjena da kontaktiram MIGA/Svetsku Banku i kreditore kao sto su JP Morgan, Santander, Raiffeisen.

Srdacan Pozdrav

[REDACTED]

[REDACTED]

1 “Zastitni pojas koji je definisan kao zona za obezbedjenje zastite od stetnog uticaja putnog koridora na okruzenje” **01 Prostorni Plan, str 3/222**

2. **PS1**

1. In addition, this Performance Standard supports the use of an effective grievance mechanism that can facilitate early indication of, and prompt remediation for those who believe that they have been harmed by a client’s actions. (pg

10/72 <https://www.ifc.org/content/dam/ifc/doc/mgrt/ifc-performance-standards.pdf>)

3. **PS1** 3. Business should respect human rights, which means to avoid infringing on the human rights of others and address adverse human rights impacts business may cause or contribute to. (Ibid)

4. **IFC PS5** Performance Standard 5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood¹) as a result of project-related land acquisition² and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail. (pg **35/72** <https://www.ifc.org/content/dam/ifc/doc/mgrt/ifc-performance-standards.pdf>)

5. **GN22**. The rate of compensation for lost assets should be calculated at full replacement cost, (i.e., the market value of the assets plus transaction costs). The process used for determining compensation values should be transparent and easily comprehensible to project-affected people. Rates should be adjusted for inflation annually, at a minimum. (pg **9/32** <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-ps-guidance-note-5-en.pdf>)

Appendix 2: MIGA Management Response

MULTILATERAL INVESTMENT GUARANTEE AGENCY

**MANAGEMENT RESPONSE
TO THE CAO ASSESSMENT REPORT
ON**

**MORAVA CORRIDOR MOTORWAY
SERBIA**

(PROJECT No. #14629)

MARCH 18, 2025

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ABBREVIATIONS AND ACRONYMS

BEJV	Bechtel-Enka JV
CAO	Office of the Compliance Advisor Ombudsman
CoS	Koridori Srbije d.o.o. Beograd
E&S	Environmental and Social
EPC	Engineering, Procurement and Construction
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESRS	Environmental and Social Review Summary
GIIP	Good International Industry Practice
GoS	Government of Serbia
GRM	Grievance Redress Mechanism
IESC	Independent Environmental and Social Consultant
km	Kilometer
MIGA	Multilateral Investment Guarantee Agency
MoF	Ministry of Finance
PSs	MIGA's Environmental and Social Performance Standards
RAP	Resettlement Action Plan
RLRF	Resettlement and Livelihood Restoration Framework
US\$	United States Dollar

EXECUTIVE SUMMARY

1. This Management Response has been prepared by the Multilateral Investment Guarantee Agency (MIGA) to address the issues raised in the complaint by an individual which was submitted to the Office of the Compliance Advisor Ombudsman (CAO) in July 2024 regarding the Morava Corridor Project in Serbia, a project supported by MIGA. MIGA provided Non-Honoring of a Sovereign Financial Obligation (NHSFO) guarantees in March 2022 and December 2023 to various lenders for their loans to the Government of Serbia for the development, construction, and operation of the Morava Corridor Motorway (“the Project”).
2. MIGA Management recognizes the importance of project affected people being able to raise complaints on the projects that it supports and appreciates the opportunity to work with Koridori Srbije d.o.o. Beograd (Corridors of Serbia (“CoS” or the “Company”) to address these concerns. MIGA Management also recognizes the important role played by CAO in its engagement and independent review of this case. This document clarifies and responds to the open issues raised by the Complainant.
3. The Complainant raised concerns regarding: (i) full expropriation of land¹, (ii) valuation of poplar trees, and (iii) the Project’s complaint handling process. CAO determined the complaint eligible and notified MIGA in August 2024, completed an assessment of the issues on February 18, 2025, and transferred the case to CAO’s Compliance function².
4. The Complainant decided to pursue her grievance through the CAO process and opted not to be referred to MIGA. As such, MIGA has only engaged with the Company to evaluate the concerns raised by the Complainant and to support the Company in its ongoing efforts to address the grievances but has not engaged directly with the Complainant.
5. As part of due diligence prior to the effectiveness of the guarantee, MIGA, in close collaboration with MIGA’s guarantee holders (i.e., lenders), and their independent environmental and social consultant (IESC), reviewed the Project’s resettlement and livelihood restoration framework, resettlement action plans and grievance redress mechanism (GRM) to assess compliance with MIGA’s Performance Standards on Environmental and Social Sustainability. Post-effectiveness of the guarantee, MIGA monitoring has included site visits and review of monitoring reports, including those prepared by the IESC. Furthermore, the Project’s Environmental and Social Action Plan requires that a resettlement completion audit be undertaken after the land acquisition process is completed.
6. After the complaint was submitted to the CAO and followed up by MIGA, CoS looked into the case. CoS identified that the Complainant’s request for full expropriation had been considered when it was submitted (2021) and a favorable decision had been made by the city / municipality of Kraljevo in 2022 to fully expropriate the land. However, due to administrative changes and delays in the city / municipality of Kraljevo, neither CoS nor the Complainant had been informed of the decision. Once CoS was aware of the decision, they promptly commenced the work required to expropriate the

¹ Only a portion of the Complainant’s plot was in the expropriation corridor for the road so the Complainant submitted a request to expropriate the full plot, claiming that the remaining portion was no longer economically viable.

² See the CAO website for case details <https://www.cao-ombudsman.org/cases/serbia-morava-corridor-motorway-03>

remaining portion of the property, and the Complainant was fully expropriated in September 2024. The Complainant agreed to the compensation for the remaining plot of land. This led to the resolution of the first complaint.

7. The only issue remaining is the valuation and compensation of the poplar trees that were on the originally expropriated portion of the Complainant's land. This issue is currently subject to an ongoing case in the Serbian judicial system. For complaints related to expropriation and compensation, if the complaint is not able to be resolved through the Project GRM, then the court is the appropriate venue for resolution. Based on MIGA's monitoring of the Project, the court process with respect to valuation of land and assets, has led to outcomes consistent with the requirements of PS 5 (i.e., full replacement cost).
8. MIGA followed applicable procedures for E&S due diligence and monitoring and continues to engage extensively with the Company to address issues raised in the complaint. Actions taken by MIGA were compliant with MIGA's Sustainability Framework. Based on this and as further outlined in this Management Response, MIGA's position is that the criteria for a Compliance Investigation, as set out in paragraph 91 of the CAO Policy, has not been met.

I. INTRODUCTION

1. In March 2022 and December 2023, MIGA provided NHSFO guarantees to various lenders for their loans to the Government of Serbia for the development, construction and operation of the Project.
2. In July 2024, a complaint was filed with the CAO by the Complainant, which raised concerns regarding the land expropriation process, compensation/valuation for poplar trees, and the complaint handling process in relation to the construction of the Morava Corridor Motorway in Serbia.
3. The Complainant had 77% of her parcel of land expropriated for construction of the Project and in 2021 requested for the remaining area of her parcel (23%) to be fully expropriated. Upon not receiving an answer, the Complainant followed up again with CoS in May 2024. This e-mail was not received by CoS, and therefore, CoS did not respond. As no response was received from CoS, the Complainant raised the concern to CAO. Once the complaint was brought to the attention of CoS through the CAO and MIGA, CoS discovered that the Complainant's request for full expropriation had been granted by the city/ municipality of Kraljevo in 2022 but due to administrative changes in the city/ municipality of Kraljevo, which led to unintentional administrative omissions, the decision to fully expropriate had not been communicated to the Complainant or CoS. This was later rectified, and the Complainant had the remaining 23% of her parcel of land expropriated in September 2024. The Complainant and CoS consider the issue of expropriation of the remaining parcel of land resolved.
4. CoS also recognizes that there was a break in communication with the Complainant and noted that the complaint filed by the Complainant through the Company's grievance mechanism in May 2024 did not reach them due to a technical issue affecting their server. CoS indicated that they take all complaints seriously. As part of their Grievance Redress Mechanism (GRM), CoS confirms receipt of grievances within a maximum of 10 days (typically within 5 days) via a follow-up email. The grievance is marked as confidential, followed by an internal assessment and necessary action.
5. Compensation for the Complainant's land is now completed; however, compensation for the poplar trees on the originally expropriated land is still pending as the amount of compensation has not been agreed between CoS and the Complainant. Per the process outlined in the RAP, the value of the trees was assessed by an accredited valuation expert appointed by the city/ municipality of Kraljevo, and a compensation offer for the poplar trees was provided on July 15, 2021, which the Complainant did not accept. In line with the legal process for expropriation, the process for compensation of the poplar trees moved to the Serbian judicial system where it is currently progressing, and a court visit will be scheduled and serves as part of the evidentiary process (when the court and all parties visit a site).
6. In August 2024, CAO determined that the complaint met its three eligibility criteria and began an assessment of the complaint. CAO submitted its Assessment Report on February 18, 2025, and the complaint was transferred to CAO's compliance appraisal function, as there was no agreement by the Complainant and CoS on a CAO-facilitated dispute resolution process in relation to the compensation amount for the loss of the poplar trees.
7. This Management Response constitutes the MIGA response to the CAO Assessment Report on this complaint concerning the Morava Corridor Motorway in Serbia (Project No. #14629).

II. PROJECT OVERVIEW

8. On March 15, 2022, MIGA issued a guarantee for approx. EUR 411.4 million³, providing Non-Honoring of a Sovereign Financial Obligation (NHSFO) coverage to (i) JPMorgan Chase Bank, N.A., London Branch, (ii) CaixaBank, S.A., (iii) Banco Santander, S.A., (iv) UBS Switzerland AG, (v) Credit Agricole Corporate and Investment Bank, and (vi) Raiffeisen Bank International AG (together, the “Guarantee Holders”), acting through J.P. Morgan SE as the agent, for their non-shareholder loans to the Government of Serbia (“GoS”) for the Project. On December 15, 2023, MIGA issued a new contract of guarantee for approx. EUR 901.1 million for an additional loan for the same Project.⁴

9. The Project consists of a greenfield 112 kilometer (km) dual-carriageway tolled motorway, within a 900 meter right of way, located approximately 200 km south of Belgrade in a low-level flood plain running east/west along the West Morava River Valley. The Project also includes (i) aboveground structures such as interchanges, bridges, culverts, and over/under passes; (ii) a telecommunications network (digital corridor) supported by power lines and communication cables to connect the telecom stations within the motorway (at rest areas, parking lots, and near traffic loops) and to manage traffic through various traffic control, surveillance, and tolling systems; and (iii) river regulation works intended to protect the Project and its surrounding areas from flooding.

10. In this Project, the GoS is represented by the Ministry of Finance. CoS, a Serbian limited liability company fully owned by GoS, implements the development and construction of the Project. During the operation phase of the Project, PE Roads of Serbia, a state-owned enterprise, will serve as the operating entity. Bechtel-Enka JV (BEJV) is the Engineering Procurement and Construction (EPC) contractor.

11. The Project was classified as Category A under MIGA’s Policy on Environmental and Social Sustainability (2013). The Environmental and Social Review Summary (ESRS) and the Environmental and Social Action Plan (ESAP)⁵ were disclosed in October 2021. A Resettlement Framework (RF) and three Resettlement Action Plans (RAPs) (one for each section of the road) were disclosed with the ESRS.

III. CAO COMPLAINT

12. In August 2024, MIGA was notified that the CAO had received a complaint raising concerns relating to the (i) land expropriation process, (ii) compensation/valuation amount for poplar trees, and (iii) an inefficient complaint handling process in relation to the Project.

13. The Complainant had 77% of her parcel of land expropriated for construction of the Project and requested the remaining 23% to be fully expropriated in 2021. During the CAO Assessment period in September 2024, the expropriation issue was resolved as CoS agreed to expropriate the remaining land, and both parties agreed on the compensation amount. However, the compensation for poplar trees remained unresolved, leading to the matter being referred to the judicial system, where it is currently pending a court decision.

³ The initial contract of guarantee was amended to increase the covered amount, on January 17, 2023 and again on September 1, 2023. Following the amendments, the amount of coverage increased to approx. EUR511.5 million.

⁴ This new contract of guarantee has J.P. Morgan SE as the agent and Banco Santander, S.A., Credit Agricole Corporate and Investment Bank, JPMorgan Chase Bank, N.A., London Branch, and ING Bank, a branch of ING-DiBa AG., as the guarantee holders.

⁵ <https://www.miga.org/project/morava-highway-0>

14. On July 15, 2021, a compensation offer for the poplar trees was provided based on an assessment by a city / municipality of Kraljevo-appointed expert. The Complainant did not accept the offer, and the compensation process moved to the Serbian judicial system. In December 2021, a court-appointed expert proposed by the Complainant estimated the compensation value for the poplar trees to be approximately four times higher than the city/ municipality of Kraljevo's expert's valuation. At the court's request, both experts were required to provide additional information supporting their assessments. The next step, a court site visit, is pending.

15. CoS does not dispute the Complainant's entitlement to compensation but contests the valuation concerning the number of trees and the value assigned per tree (natural growth versus plantation crop). As stipulated in the Resettlement Action Plan, if other avenues, such as the Company's GRM, are unsuccessful, the Complainant can seek legal recourse to challenge the compensation offer and request judicial review of the valuation and compensation process. Since an agreement on the compensation amount has not been reached, the Complainant has exercised her legal recourse. The matter is currently progressing through the Serbian judicial system, with a court site visit planned in April/May, date to be confirmed. Following the site visit, the court may schedule another hearing and potentially require an additional independent assessment of the poplar trees. CoS anticipates that the court process will continue for several more months.

16. The Complainant's concern regarding an inefficient complaint handling process was largely due to administrative changes and delays, including that the decision to fully expropriate the land by the city/ municipality of Kraljevo in 2022 was not communicated to the Complainant or CoS. As full expropriation was completed in September 2024, this issue of the complaint has been resolved during the CAO Assessment period.

IV. MANAGEMENT RESPONSE

17. The Complainant chose not to be referred to MIGA and decided to pursue her grievance through the CAO process. MIGA has respected the Complainant's decision and has therefore engaged only with CoS. The response below is structured into three sections: a) process followed by CoS; b) process followed by MIGA; and c) review of the Complainant's remaining concerns.

Process followed by CoS

18. Upon being notified through the CAO of the request for additional expropriation, CoS promptly reviewed and determined the Complainant's eligibility to be fully expropriated, taking immediate action. Regarding the compensation for the poplar trees, CoS has actively participated in court hearings and provided information as required. CoS is committed to upholding the court's decision and does not dispute the Complainant's right to compensation. CoS provides regular updates to MIGA on the status of the court proceedings.

19. Regarding communication, the Complainant now has direct contact with the individuals within CoS responsible for land acquisition. Additionally, the server issue that prevented the communication from reaching CoS in May 2024 has been addressed. Over 98% of expropriation has been completed and 2% is in the judicial system. CoS has also reviewed its GRM and Stakeholder Engagement process to improve communication with remaining project-affected persons. Measures include more frequent interactions with community leaders and further leveraging BEJV's GRM, allowing communities to raise expropriation-

related complaints to the EPC, who are on-site and working in the Municipalities, which can be more readily conveyed to CoS.

Process followed by MIGA

20. MIGA, in close coordination with the Guarantee Holders (i.e., lenders) and the lenders' Independent Environmental and Social Consultant (IESC), undertook extensive due diligence on the Project from December 2019 up to contract effectiveness in March 2022. During due diligence and prior to disclosure of the Resettlement and Livelihood Restoration Framework (RLRF) and Resettlement Action Plans (RAPs), MIGA, lenders, and the IESC iteratively reviewed multiple drafts of the RLRF and RAPs and ultimately confirmed that the final versions of these documents outlined a process, which, if implemented appropriately, would result in an outcome consistent with the requirements of PS 5 (Performance Standard 5 Land Acquisition and Involuntary Resettlement). The Law was reviewed as part of the RAP development process, and it was found to be broadly aligned with the requirements of PS 5 (refer to section 3.4 of RLRF). The few areas of non-alignment were addressed through measures in the RAPs.

21. From the issuance of the guarantee by MIGA, MIGA has been regularly monitoring the implementation of the Project through site visits and review of reports in line with MIGA's Sustainability Policy. The Project is also being monitored on a quarterly basis by the IESC. Monitoring comprises review of the effectiveness of the project-level grievance mechanism and implementation of the RAPs, which included the legal recourse available to project affected persons to challenge the compensation offer. Monitoring indicated that RAP implementation is consistently applied to project affected persons resulting in outcomes aligned with PS 5 requirements. Monitoring also indicated that, with respect to valuation of land and assets, the legal process in Serbia leads to outcomes consistent with the requirements of PS 5 (i.e. full replacement cost).

22. In addition, per the Project's ESAP, a RAP completion audit will be undertaken no later than 12 months after completion of the land acquisition process. Should the audit determine that the RAP has not been appropriately or consistently applied, or that people have been adversely affected due to protracted court cases, then corrective actions will be identified.

23. The Complainant chose not to be referred to MIGA and decided to pursue her grievance through the CAO process. MIGA has respected the Complainant's decision and has therefore engaged only with CoS. MIGA has conducted regular follow-ups with CoS on the status of the complaint and monitored the actions taken, including the expropriation of the remaining parcel of land. Additionally, MIGA is reviewing the measures implemented by CoS to enhance their stakeholder engagement and GRM.

Review of Remaining Issues

24. As indicated above, the primary issue in the complaint, which was the request for full expropriation, has been addressed – the Complainant was fully expropriated in September 2024. The concern regarding inadequate communication has also been resolved. The Complainant now has direct contact with the individuals within CoS responsible for land acquisition. Additionally, CoS has reviewed and updated its stakeholder engagement and GRM process. The remaining issue is the compensation amount for the poplar trees.

Compensation Amount for the Poplar Trees

25. PS 5 requires compensation at full replacement cost for economically displaced persons who face loss of assets or access to assets. Full replacement cost is defined as the market value plus the transaction costs related to restoring the assets per PS 5. The primary objective of ‘full replacement cost’ is to ensure that affected people can replace land and assets lost to a project with land and assets of similar quality and value.

26. The entitlement matrix in the Project RAPs outlines the valuation methodology for determining the full replacement cost for: (i) the loss of perennial plants and trees, and (ii) wood mass (mature or nearly mature). In accordance with the entitlement matrix and the requirements PS 5, affected individuals who have lost perennial trees are entitled to the right to harvest, plus cash compensation at replacement cost. This replacement cost is defined as the market price of seedlings based on type, sort, and productive value, plus the net loss for the time required to grow such plants, calculated according to the annual production market value, and including the costs of investment (labor, soil preparation, etc.) plus transitional allowance, if applicable. For those who have lost wood mass (mature or nearly mature), the entitlement includes cash compensation at replacement cost, which encompasses the market price of the wood, determined based on the value of the wood on the stump, plus a transitional allowance (if applicable).

27. CoS will provide compensation in accordance with the RAP and PS 5; however, CoS contends that the poplar trees are natural growth (not plantation forest) and therefore, compensation should be for wood mass rather than perennial trees. CoS provided historical aerial photos from Google Earth to the court (also shared with MIGA), covering the period from 2016 to 2022, to support its argument that there was no commercial plantation of poplar trees during this seven-year period. Per the RAP, transition allowance and livelihood restoration measures are available to people whose livelihoods have been affected by the Project. In this case, the Complainant has not provided any evidence that the poplar trees were a source of a livelihood and has not requested livelihood restoration support.

28. Per PS 5, project-affected persons should be made aware of the possibilities of legal recourse available to them, including the option to use the local judicial system if they reject compensation offers. This case is a positive example of a disagreement on the compensation amount where the Complainant has pursued the available legal recourses.

V. CONCLUSION

29. Paragraph 91 of the CAO Policy sets out three criteria for determining whether a compliance investigation is necessary: a) whether there are preliminary indications of Harm⁶ or potential Harm; b) whether there are preliminary indications that MIGA may not have complied with its E&S Policies; and c) whether the alleged Harm is plausibly linked to the potential non-compliance.

30. Regarding compliance appraisal criteria (a) whether there are preliminary indications of Harm or potential Harm and (c) whether that Harm is plausibly linked to the potential non-compliance with MIGA’s Sustainability Framework, MIGA did not find evidence to substantiate Harm. Two out of the three concerns raised by the Complainant have been addressed: (i) expropriation – the request for full expropriation of the

⁶ Defined in the CAO Policy as ‘Any material adverse environmental and social effect on people or the environment resulting directly or indirectly from a Project or Sub-Project.’

remaining parcel was concluded in September 2024 and (ii) inadequate communication - CoS recognizes that there were initial challenges with communication which have been resolved, and the communication channel between CoS and the Complainant are now established. Further, while the initial request for full expropriation was submitted in July 2021, the Complainant did not follow up with CoS until May 2024. MIGA recognizes that there is potential for Harm should the Complainant not receive compensation for the poplar trees in line with PS 5 requirements; however, MIGA finds that the likelihood that this Harm will be realized is low as CoS agrees that the Complainant is entitled to compensation at replacement cost. This expectation is further supported by the findings of MIGA's monitoring, which indicate that compensation standards are being consistently applied to project affected people, and court processes are resulting in outcomes aligned with PS 5 requirements.

31. MIGA's review also confirmed that the expropriation process includes recourse available to project affected persons who disagree or reject compensation offers per the local judicial system which has been applied consistently by CoS across the affected population, as required by PS 5.

32. CoS aims to resolve issues through due process in the judicial system. CoS demonstrated that it consistently applies the requirements of PS 5 when it proceeded with the full expropriation of the remaining parcel of land as requested by the Complainant after determining that the land was unviable. CoS will adhere to the court's decision following the review of the compensation assessment for the poplar trees. According to CoS, compensation has been earmarked for the Complainant for compensation of the poplar trees and is pending court resolution. Further, MIGA's review of the outcomes of court cases on expropriation and compensation for the Project to date indicates that the court processes are resulting in outcomes that are consistent with the requirements of PS 5.

33. With respect to criterion (b), preliminary indications that MIGA may not have complied with its E&S Policies: MIGA has demonstrated that it carried out its E&S assessment during due diligence and monitoring in line with its Sustainability Framework. Although the Complainant opted not to be referred to MIGA, MIGA has continuously followed up with CoS on the concerns raised by the Complainant.

34. Based on its review, MIGA's position is that a Compliance Investigation is not warranted, as the criteria set out in paragraph 91 of the CAO Policy has not been met.

35. MIGA is committed to mitigate environmental and social risks, support effective and efficient execution of CAO's mandate pursuant to the CAO Policy, and be accountable to MIGA's Board. MIGA will continue diligently monitoring the Project through periodic site visits, review of the Project's and IESC's respective reports as well as participation in periodic calls with lenders, CoS, BEJV, and the IESC.

36. MIGA will continue to monitor implementation of ESAP actions, including the close-out audit regarding land acquisition that will be carried out by an independent party no later than 12 months after completion of the land acquisition process. MIGA will continue to cooperate with the CAO, CoS and with the Complainant (if the Complainant opts for MIGA to be involved) in an open and transparent manner. MIGA values CAO's process of complaints resolution and evaluation to enhance MIGA's E&S performance, including the opportunity to provide this Management Response, as it fosters public accountability for MIGA's commitments and helps resolve issues.

Disclaimer

This MIGA Management Response is provided in response to the Assessment Report of the Office of the Compliance Advisor Ombudsman (CAO) finding a complaint to a project supported by MIGA guarantee eligible for compliance appraisal.

Nothing in this MIGA Management Response or in the process provided for in the CAO Policy (“CAO Process”) (1) creates any legal duty, (2) asserts or waives any legal position, (3) determines any legal responsibility, liability, or wrongdoing, (4) constitutes an acknowledgment or acceptance of any factual circumstance or evidence of any mistake or wrongdoing, or (5) constitutes any waiver of any of MIGA’s rights, privileges, or immunities under its Convention, international conventions, or any other applicable law. MIGA expressly reserves all rights, privileges, and immunities. MIGA does not create, accept, or assume any legal obligation or duty, or identify or accept any allegation of breach of any legal obligation or duty by virtue of this MIGA Management Response.

While reasonable efforts have been made to determine that the information contained in this MIGA Management Response is accurate, no representation or warranty is given as to the accuracy or completeness of such information. CAO is not a judicial or legal enforcement mechanism. Its analyses, conclusions, and reports are not intended to be used in judicial or regulatory proceedings nor to attribute legal fault or liability and it does not engage in factfinding nor determine the weight that should be afforded to any evidence or information. No part of this MIGA Management Response or the CAO Process may be used or referred to in any judicial, arbitral, regulatory, or other process without MIGA’s express written consent.

Appendix 3: Additional Appraisal Considerations

The CAO Policy provides for the compliance appraisal to take into account additional relevant considerations, as outlined in the table below.

CAO Policy provision	Analysis for this case
For any project or sub-project where an IFC/MIGA exit has occurred at the time CAO completes its compliance appraisal, whether an investigation would provide particular value in terms of accountability, learning, or remedial action despite an IFC/MIGA exit (para. 92a).	Not applicable.
The relevance of any concluded, pending or ongoing judicial or non-judicial proceeding regarding the subject matter of the complaint (para. 92b).	Under the expropriation process set out in the project Resettlement Action Plan, if an owner rejects the compensation offer, a court procedure will be initiated. In July 2021, the complainant did not accept CoS's compensation offer for the forest biomass on her property. Accordingly, the compensation process was moved to court procedure, during which a court-appointed expert proposed by the complainant estimated the compensation value for the forest biomass higher than CoS's offer. The court procedure is still ongoing. According to the RAP, CoS will pay once the court decision is final as dictated by national law. There are no defined deadlines, but they depend on the local courts' capacities and workload.
Whether Management has clearly demonstrated that it dealt appropriately with the issues raised by the Complainant or in the internal request and followed E&S Policies or whether Management acknowledged that it did not comply with relevant E&S Policies (para. 92c).	CAO notes that MIGA acted in accordance with its Sustainability Policy obligation to identify and review opportunities for improving client performance (para. 43), following receipt of the complaint. Specifically, MIGA reviewed PS5 compliance by motorway developer CoS with respect to the complainant's allegations of the right to full land expropriation, the compensation offers for forest biomass, and the company's complaint handling process.
Whether Management has provided a statement of specific remedial actions, and whether, in CAO's judgment after considering the Complainant's views, these proposed remedial actions substantively address the matters raised by the Complainant (para. 92d).	MIGA carried out a specific visit to Serbia to address the issues raised by the complainant and to define next steps. Throughout this time, documents demonstrate efforts to substantively address the matters raised by the Complainant. Such efforts did not lead to a result considered satisfactory to the Complainant.
In relation to a project or sub-project that has already been the subject of a compliance investigation, CAO may: (a) close the complaint; (b) merge the complaint with the earlier compliance process, if still open, and the complaint is substantially related to the same issues as the earlier compliance process; or (c) initiate a new compliance investigation only where the complaint raises new issues or new evidence is available (para. 93).	Not applicable.