



# Serbia's Land for...

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Tweet

*Serbia continues signing bilateral agreements that practically suspend the national laws, while the citizens remain uninformed about their harmful consequences for the rule of law and the state budget.*



For the past 17 years, signing bilateral agreements has been a practice of all Serbian governments. The need for signing such agreements is justified by business projects resulting from them. The projects implemented by foreign companies in cooperation with the state of Serbia usually contain a confidentiality clause and are, therefore, not subject to national laws. The Government justifies the projects resulting from bilateral agreements by declaring them the projects of

Under the guise of national importance, the government adopts special laws by emergency procedures, abolishes the bids for the sale of land, and does not apply the Law on Public Procurement and Public Tenders or other procedures foreseen by the national legislation of Serbia.

Representatives of Serbia signed a bilateral agreement with representatives of United Arab Emirates in February 2013. Based on the agreement, a contract on joint investment in agricultural land was made between the state of Serbia and the company Al Rawafed.

## The land and the money

In 2013, Serbia started negotiations with Al Dahra on leasing and selling the land to this company.

However, in June 2014, another partner emerged, and the deals were signed with the newly formed company from Abu Dhabi, Al Rawafed International Investment. The state of Serbia and Al Rawafed formed a joint company Al Rawafed Serbia, in which the state has 20 percent of ownership.

Serbia sold and leased 10,470 hectares of its best agricultural land in the Northern Province of Vojvodina to the UAE investor Al Rawafed. The joint company Al Rawafed Serbia got 3,500 hectares of agricultural land owned by the Serbian Army in the village of Karadjordjevo. The Contract on leasing the land does not specify the price, despite that the state and the army's earnings depend on the profit made from agricultural activities.

Before the deal was made in 2014, current Prime Minister and President-elect Aleksandar Vucic had said that Karadjordjevo would be an example of successful deals.

"They will have four or five times more yields than we do, believe it or not. I think this speaks for itself.

Karadjordjevo will be a showcase, a mirror showing everything," said Vucic.

However, Insajder's investigation

Al Rawafed Serbia also leased 4,300 hectares of the state agricultural land near Kula. Their annual lease is 250 euros per hectare. Without a public auction, the company also bought 2,200 hectares near Sivac. They paid EUR 7,000 per hectare, even though the average price is EUR 9,000 per hectare. They also bought 413

Serbia since 2014.

per hectare.

## Defense Minister: We are not hiding how much we earn, we just don't know

When Insajder journalists asked Zoran Djordjevic, Serbian Defense Minister, how much Al Rawafed Serbia pays to the state of Serbia for leasing the land in Karadjordjevo, he first replied that calculations have to be made.

"We are not hiding how much we make from this deal. We haven't done the balance for 2015 yet, because we still haven't agreed on how the costs should be split with our partners. When we agree on the model, you will be informed," said Minister Djordjevic in 2016.

In 2017, Minister Djordjevic repeated to Insajder journalists that he does not know how much money Al Rawafed Serbia pays to Serbia for the lease.

"I promised I would tell you the moment I, as the Minister, see and sign the split of profit for 2015, I will tell you what our profit is," said the Minister, and then admitted that, to date, Al Rawafed made no payments.

"No, they have not paid anything so far," he said in 2017.

Miroslav Ivic, a member of the Municipality Council of Backa Palanka in charge of agriculture, told Insajder that an average lease price for one hectare in Karadjordjevo area is around 420, 430 euros per year. That means that the state lost around 3 million euros since the deal was made.

"The local government is in charge of

The profits from the land in Karadjordjevo enabled the operating of hunting ground, horse farm, and restaurants under the military management. Now that the Al Rawafed Serbia does not pay the rent, the destiny of farms and restaurants is uncertain.

From its founding in September 2014 until the end of 2015, Al Rawafed Serbia borrowed around RSD 5 billion (EUR 40,322,580), which equals the total value of all assets at its disposal.

Government of vojvodina, and 30 percent to the state, said Ivic.

When asked whether the municipality was damaged by the deal between Serbia and Al Rawafed, Ivic said, "I don't think so. The municipality accepted the agreement and it respects the decision of the Government of Serbia." Serbian farmers who lease the land from the state disagree with Ivic. They claim that the state is losing money on the deal with Al Rawafed.

"We worked on that land for six, seven years, some even more. We had to pay from 300 up to 500 euros per hectare. Now we hear that the government is leasing the same land to Al Rawafed for 100 or 150 euros per year for a period of 25 years. It is insulting that they did not offer that to us. We would have built irrigation systems. Instead, we are almost nonexistent locally," said the farmer Dragan Manic.

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He was one of the farmers who protested in 2014. against the land lease to the UAE investors in Vojvodina. Farmers who live in the areas of Vojvodina where Al Rawafed leased the land claim that their fundamental "means for work" have been taken away from them.

"We made plans based on leasing the land we can no longer get. Moreover, without the land, we cannot get the credits for mechanization and further investments. What are we going to do now?", said the farmer Jan Husik.

Insajder journalists requested an interview with Serbian Defense Minister Zoran Djordjevic on numerous occasions. We were declined every time, and could only get answers from him at press conferences. Beside Minister Djordjevic, former Defense

"In talks with the representatives of Al Rawafed, I told them to find a solution for these people, to employ them as cooperatives. As for the state, this deal is a huge plus," said PM Vucic.

Insajder's investigation has shown that the company Al Rawafed got its work license in the UAE only three months before the deal with Serbia was made.

current Minister of Economy Goran Knezevic, and State Secretary in the Ministry of Economy Dragan Stevanovic, all refused to give an interview for Insajder. Current Serbian Prime Minister and President-elect Aleksandar Vucic stated that he will try to find a solution for the farmers who used to work on the land that is now leased to investors.

connected with other more experienced companies in the business of agriculture. In March 2017, Al Rawafed International Investment's license expired in the UAE and, according to public data, they do not have a single employee.

Al Rawafed International Investment does not even have an official website.

The only representative of the state of Serbia in Al Rawafed Serbia, Miroslav Stevanovic, declined the interview saying that he has no authorization to

speak to Insajder journalists.

Serbian authorities announced that the deal with Al Rawafed International Investment is vital for Serbian agriculture, and assured the public that it is "one of the leading companies in the Emirates" when it comes to agriculture.

*Jelena Jankovic*

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