

Exclusive: Drina river HPPs, the report, Germany RWE vs Italian Seci Energia

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Italy has finalized an agreement with the RS for the construction of three dams on the middle part of the river Drina. The agreement, signed June 7, 2011 in Rome by Milorad Dodik and former Italian Prime Minister Silvio Berlusconi, foresees Italian investments of about 830 million euro in the project "Middle Drina".

The project also involves Serbia. In fact, on 25 October 2011, Seci Energia, of the Maccaferri group, signed with Serbia's largest electricity company, Elektroprivreda Srbije (Eps), an agreement for setting up a joint venture for building ten hydroelectric stations on the river Ibar. The new mixed partnership, Ibarske Hidroelektrane d.o.o., will be controlled by Seci Energia (51%) while Eps will have 49%.

The electricity produced by the stations on the Ibar, together with that produced on the river Drina, will be channelled through Montenegro then sent to Italy by underwater cable. The cable, costing 860 million euro, should be completed by 2015 by the Italian firm Terna.

Italy has a considerable need to increase its quota of renewable energy in its portfolio. The European Directive 20-20-20 calls for EU countries to reduce their carbon emissions by 20% by 2020. By the same date energy efficiency should increase by 20% as should the percentage of energy coming from renewable sources.

Within this framework the various member states of the Union have established their own national objectives. Rome has already stated it cannot reach this objective without acquiring renewable energy from abroad. Bosnia Herzegovina and Serbia, with their dams on the Drina and Ibar, will therefore help Italy achieve its objectives.

The Balkan countries too, however, will sooner or later enter the European Union and the

Energy Community of South East Europe, of which Serbia and Bosnia are part, has already decided to accept the European Directive on renewables. So, by transferring clean energy to Italy, Belgrade and Banja Luka are getting behind on the quota that they in turn will have to reach in withdrawing from their heavy dependence on coal.

Furthermore the CEE Bankwatch Network, a non governmental organization monitoring financial movements in the region, in its 2012 report, *A partnership of unequals*, underlined some highly critical issues relative to the project.

The agreement between Serbia and Italy was, in fact, reached without call for tender and Bankwatch speaks explicitly of a risk of corruption. The organization also finds that the Italian partner, Seci Energia, does not appear to have any experience in the construction of hydroelectric stations.

The non governmental organization MANS, of Podgorica, also expressed doubts: the agreement made between Italy and Montenegro for the construction of the undersea cable from Tivat to Pescara, which will carry the electricity produced by the stations to Italy, was not, they say, conducted in the public interest, and MANS has asked the Montenegro magistrates to open an enquiry.

Bankwatch also declared itself contrary to the project because of its environmental impact.

Before arriving to the coast, the electricity from the stations on the Drina and Ibar will have to cross the whole of Montenegro, from Pljevlja to Lastva, cutting through two national parks, the Lovćen and the Durmitor, and a natural reserve protected under the convention Natura 2000.

Bankwatch defines “strange” the choice of Pljevlja as starting point for the line of transmission, because the only coal fired power station in Montenegro is situated exactly there. Once the infrastructure is in place, the risk is therefore that “dirty” energy will also travel along it, since the undersea cables and transmission lines make no distinction.

No information

The expected investment for the three dams to be built on the Drina (Dubrava, Tegare and Rogačica) is over 800 million euro. The strangest thing, though, is that no-one locally knows anything about it.

The Mayor of Bratunac, Nedeljko Mladenović, interviewed by Osservatorio at a conference on the state of the Drina, organized at Višegrad by Oxfam Italia, declared that “activities undertaken to date have not resulted in any involvement of the local community. We don't know where the dams are planned to be, how big they'll be, if and how many people will have to be evacuated.” The Mayor, who is not “prejudiced against the dams” remembers though that “even during Socialism there were projects which envisaged flooding our district from Bratunac to Ljubovlja. My citizens would certainly not agree with ideas of this kind.”

Neither does the new Mayor of Višegrad, Slaviša Mišković, have information on the projects

which could shortly have a powerful impact on the territory of his municipality. At the moment the local administration is busy with Andrićgrad, Emir Kusturica's controversial project, financed by the RS government, which envisages a kind of cinema city dedicated to Ivo Andrić a short distance from the famous Drina bridge.

Mišković, nonetheless, tells Osservatorio that he favours building dams, even very large ones, since “the Drina has great potential and must be developed more than it has been so far.”

The representatives of the environmental associations of the region, however, are of a different opinion. Muhamed Suljić, of the ecological tourism association, “Tea”, in Bratunac, told Osservatorio that the issue of the dams “is a very delicate one, with possible negative consequences for biodiversity”, and that “the inhabitants of both banks of the river must be involved in these decisions.” There are already several dams on the Drina and, according to Suljić, “the risk is the destruction of that little of the Drina which has remained a real river, thus losing one of Europe's jewels for the interests of a few.”

The fishermen are worried too. “There is talk of two power stations, but in fact we have no information,” says Radislav Jovanović of the fishermen's association “Drina”, in Bratunac. “We don't even know if the proposed stations will create a lake or not. Obviously if they do we are against it, as it would have a devastating effect on the fish.”

Germany 4, Italy 3

After concluding its agreement with Italy for the construction of the three dams on the Drina, the Republika Srpska government, as part of the Gornja Drina project, awarded another contract for the construction of a further four dams on the same river, higher upstream, to the German multinational, RWE.

The contract, signed in September of last year, is worth 460 million euro and would involve a company with 60% German control and 40% RS. The four dams will be built in the area of Foča. Again in this case the agreement was made without any involvement of the local community.

The popular former Mayor of Foča, Zdravko Krsmanović, President of the Drina Euroregion , expressed a decidedly negative view on the construction of the dams. His position very probably cost him his job. In the October elections, in fact, he was beaten by an unusual alliance between the two harsh enemies of the RS political scene, the SNSD of President Dodik and the Serb Democratic Party, SDS.

Krsmanović had criticized as “not transparent” the process by which the agreement between the government and RWE was concluded, and the fact that no-one of the local administration had been informed about it. The lack of transparency, as described by Krsmanović to the Montenegrin weekly, Monitor, “leads us to think there is something irregular.”

The biggest dam, with a barrier wall of 70 metres, would be Buk Bijela, 9 km from Foča. As it appears, this dam would be a smaller version of the one which envisaged flooding the

canyon of the Tara (the river which, joining with the Piva, generates the Drina) which both the Parliament of Montenegro and Unesco opposed.

A second dam, Sutjeska, would be situated at the entrance to Foča, while the other two (Foča and Paunci) would be lower down. Work is supposed to begin in September 2014.

Source; [Balcanicaucaso.org/Serbia Energy](http://Balcanicaucaso.org/Serbia%20Energy)