

Kolubara mines expansion and Serbia energy security vs environmental opposition

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The Kolubara mining basin covers 600 square kilometres, producing 30 million tonnes of lignite and more than 50 percent of Serbia's electricity annually. While government and international investors claim Kolubara is crucial to Serbia's energy security, critics said expansion has come at heavy social and environmental cost.

Over the last decade the European Bank of Research and Development (EBRD) loaned millions to Electric Power Industry Serbia (EPS), the state-owned monopoly electricity provider, for efficiency improvements and expansions at mines.

As well as environmental concerns over the projects, many property owners allege that necessary resettlements have not been carried out in accordance with national and international laws.

In the village of Radljevo, 65-year-old Milan Simić's property is fewer than 300 meters away from Tamnva West mining field. He claims he has not been offered fair compensation. "This is a disaster," he said. "It pollutes the air; the noise you cannot sleep. Houses are fracturing."

The Simićs' are often without clean water. "When it arrives you see it is of poor quality... it is polluted," Vlada Simić said.

Vitomir Simić owns the adjacent property and has relocated to nearby Ub due to structural damages caused by mining. He has received no compensation for his house.

Large cracks run down the interior walls of the house. "I am appealing for help," he told *SETimes*. "It's two years since I asked to be expropriated, but I have received no answer."

Officials at the European Bank of Research and Development said all relocations required for the Tamnava West Field through 2018 are complete.

Last year the community of Vreoci, a town in the center of the mining basin, made an official complaint against the bank and the electricity provider.

"Coal comes through Vreoci and all negative impacts remain here," said Zeljko Stojković, an activist in the NGO Ecological Society Vreoci. "There are health problems, breathing problems, all kinds of cancers, life expectancy is shortened."

The complaint is subject to an internal bank inquiry. But Ian Brown, senior advisor at the

bank's office in Serbia, said the resettlement is not its responsibility. "The resettlement of Vreoci is not required because of investment by EBRD," he told *SETimes*.

Stojković disagreed. "[We] expect EBRD to pressure their clients, EPS and Kolubara, to become socially responsible and respect the rights of inhabitants," he said.

But, according to Ljubomir Aksentijevic, special advisor to the Minister of Energy, every effort has been made to ensure expropriation run smoothly. "[EPS] has been moving villages and buying houses, but some people do not want to move," he said.

The electricity provider has been in controversy before. In 2011 17 high-ranking officials were arrested under suspicion of siphoning 12 million euros. Court cases are pending.

"There have been black points," Aksentijevic said, "but we cannot just close the mines... Security of [energy] supply is very important, we must use our natural resources, and our natural resource is coal."

Artificially low state-backed electricity prices have contributed to EPS's burgeoning debts. According to Aleksandar Obradovic, acting manager at EPS, a state bailout of 450 million euros is needed to avoid bankruptcy.

"Serbia's energy policy is unsustainable, economically and environmentally," independent energy expert Aleksandar Macura told *SETimes*. "The situation is now a fire in the apartment."

"Continuing investment in Kolubara undermines Serbia's target as a member of the European Energy Community to increase renewable energy to 27 percent by 2017," said Zvezdan Kalmar of the Centre for Ecology and Sustainable Development. "Serbia is being locked into a future of lignite dependency."

However, the bank and Ministry of Energy representatives defend recent investment in Kolubara, emphasizing efficiency saving measures; to reduce the 33 million tonnes of carbon dioxide emissions produced annually by 200,000.

"Renewable energy is an area where we put a lot of emphasis, and hope to make investments over the coming years," Brown told *SETimes*. "It is not a question of lignite, or renewables."

Outside his abandoned house Vitomir articulates the situation. "It gives us existence," he said. "I am not against the mine. I want only to work and be relocated."

Source; Seetimes