



**The SEEDW Bulletin, issue 16**  
**July 2008**

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## **Setting an example - EU funds monitoring in Macedonia**

### **The selection of NGO representatives in the Committee monitoring the implementation of the Regional Development Operation Programme in Macedonia**

As an EU candidate country, Macedonia has since last year been able to access the European Commission's Instrument for Pre-Accession (IPA) funds. The Macedonian government has prepared a Regional Development Operational Programme 2007-2009 envisioning investments in the transport and environment sectors.

The implementation of Macedonia's Operational Programmes (OPs) requires setting up a Monitoring Committee for each programme carried out in the country. Usually, the European Commission advises governments and their environment ministries to include environmental NGO representatives in the committee when the operational programme includes environmental issues. In Macedonia, the Ministry of Environment and Physical Planning was in charge of the selection process for NGO representatives.

The process for selecting an environmental NGO representative for the Committee monitoring the implementation of the Regional Development OP in

Macedonia was announced on May 5 2008 by the Civil Platform of Macedonia by e-mail. The Civil Platform of Macedonia was set up informally in 2004 to connect NGOs working on various topics, but does not represent the NGOs as such. The main initiators of the platform are the Macedonian Center for International Cooperation and USAID.

With its email announcement, the Civil Platform only informed 14 NGOs pre-selected by the Ministry of the Environment, and not all the environmental NGOs in the country.

The announcement requested that candidates were to be proposed by May 7 - an unrealistically short deadline - and that the Secretariat of the Civil Platform would select the candidate. This suggested practice was hardly democratic - if environmental NGOs propose candidates, then they should be able to vote on them.

Eco-sense immediately sent to the Ministry of Environment and the Civil Platform comments on the process and asked for an open and democratic approach. The initiative for organising the process in a transparent and participatory way was supported by many NGOs, who sent emails calling for a new process. The following week, a meeting was organised between the environmental NGOs and the Ministry of the Environment. At this meeting, a new process was drafted, a verification committee was established and new criteria for the representatives were drawn up.

One week later the whole process was organised and the voting had commenced. The process was transparent and the candidates' applications were posted on the environmental portal Eko.net.mk. The voting by environmental NGOs also took place online, and the candidate and his deputy were selected in the given time. All environmental NGOs were informed via e-mail and the portal about the process and their chance to cast their vote.

For the first time in Macedonia, environmental NGOs stood together and defended a common view before the institutions. From the very first signs of "disaster" at the beginning, the environmental NGOs turned the process into a "success" through a transparent and democratic approach. Once again, an open approach has been shown to bring more benefits to all stakeholders. The environmental NGOs have surely set an example for future selection processes and have shown the national institutions that a participatory and open process is possible, even one with short deadlines.

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## Bucharest Agreement on Espoo Convention "a good first step", say NGOs

Sub-regional environmental cooperation in south-east Europe gained momentum recently on May 20 when seven countries adopted and signed a multilateral agreement enabling further implementation of the Espoo Convention - The Convention on Environmental Impact Assessment in a Transboundary Context. The event took place in Bucharest during the Fourth Meeting of the Parties to the Convention.

Among the seven countries, Serbia is the most recent Party to the Convention (2007), while Bulgaria, Croatia, Greece, Macedonia, and Romania ratified it several years ago. Montenegro expects to become a Party to the Convention by the end of 2008, and Bosnia and Herzegovina may join the Agreement later.

The 8 page Agreement, initiated by Serbia in 2003 and 2004 because of differing environmental impact assessment (EIA) procedures in the region, aims to provide a common EIA procedure concerning major

projects/activities between south-east European countries that may have an adverse transboundary environmental impact. This procedure is particularly important due to the many cross-border or near-border projects in the region such as the Pan European Oil Pipeline (PEOP), Nabucco gas pipeline, AMBO oil pipeline, road construction projects, bridges, power plants and other industrial facilities.

Yet, it seems that the whole Agreement is a test exercise for the Parties, who may withdraw at any time after two years from the date on which the Agreement comes into force. (Article 23)

Under the Agreement, the EIA procedure affects proposed projects that are likely to cause significant adverse transboundary impacts, listed in Appendix 1 of the Convention. However, criteria for the term "significance" based on the general criteria in Appendix III of the Convention has been left to be developed at some undefined point in the future, when the Parties will develop guidelines on the implementation of this Agreement. (Article 5)

A problematic loophole also appears in Article 6, which explains that for a "joint proposed activity" (between two or more Parties), where the involved Parties so agree, "Articles 7 to 11 shall not apply" and the detailed arrangements for communication and consultations in such cases will be separately determined by one or more joint working groups. Articles 7-11 deal with the content of notification (Article 8), establishing joint working groups (Article 9), consultations (Article 10), and description of minimum EIA content (Article 11). This means that for joint projects such as the controversial Buk Bijela hydropower plant in Republika Srpska, Bosnia-Herzegovina, case-by-case consultations will be allowed, that will not be covered by the provisions of this Agreement. This procedure would be even more non-transparent, secretive, and inaccessible for the general public and civil society organisations.

When developing the general criteria to determine which activities can lead to significant transboundary adverse impacts, the Parties must take into account their international duty to protect (especially threatened) biodiversity, as the region of south east Europe is still rich in biodiversity. Many areas under special protection in south east Europe are located in or close to border regions.

This duty was confirmed with another regional agreement, signed just a few days later after the Bucharest Agreement, in Bonn, during the 9th Conference of the Parties to the Convention on Biological Diversity (CBD COP 9). There, six south east European governments (Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, and Slovenia) announced their intent to declare 13 new protected areas and enlarge nine existing ones.

The Bucharest Agreement can be seen as a first step, a kind of test, not yet fully developed but important. Cooperation among the countries on the basis of the Espoo Convention and the respective EC Directives is a central element of the process towards improving environmental protection in the region. So far the Agreement has failed to give a stronger impetus to environmental and participatory democracy in the region, because it lacks much-needed provisions on partnership between governmental authorities and representatives of NGOs as well as provisions on the strengthening of the role of civil society in the procedures of the Espoo Convention. The recommendation on NGOs is stated in Decision (II/8) on strengthening sub-regional cooperation, adopted during the Second Meeting of the Parties in 2001. It is something NGOs should insist on in the upcoming period.

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## International pipeline workshop held in Skopje

The Balkan region is becoming a transit zone for the oil and gas pipelines and large energy projects that will supply western Europe with energy. The region's governments are focusing on pipeline construction because, in their opinion, pipelines will bring revenues, more jobs and better accompanying infrastructure. However, the jobs that are created during construction are only temporary, and the pipelines themselves - as well as the supporting rail and road infrastructure - naturally bring a range of environmental and social negative impacts such as air and noise pollution and biodiversity loss. Several of the projects are also directly competing with one another, raising concerns that they may not be economically viable, but rather politically motivated. Moreover, such large oil

infrastructure projects are rarely feasible without tax breaks and low interest loans from public institutions, which also help in encouraging other private investors to get involved.

These were the main reasons why the Macedonian NGO Eco-sense decided to bring together NGOs and governmental representatives to discuss the potential risks and benefits of two of the planned oil pipeline projects - AMBO (Albanian Macedonian Bulgarian Oil) and Bourgas-Alexandroupolis (B-A).



The AMBO pipeline consists of the construction of an oil pipeline from the Bourgas gulf (Bulgaria) through Bulgaria, Macedonia, and Albania to the port of Vlora (Albania). The 894.5 km long pipeline has been designed to facilitate the transfer of some 30-40 million tonnes of crude oil per year from the Caspian region to the Adriatic Sea and further - to Europe and the US. The debate around the project has so far taken 13 years and is not over yet. Total project costs are estimated to be USD 1.8 billion.

The 280-km long, EUR 1 billion B-A pipeline was conceived in 1993 by Russian and Greek companies aiming to transport crude oil from Russia, Azerbaijan, and Central Asia (Kazakhstan, Turkmenistan) to Alexandroupolis on the Aegean Sea. The pipeline would transfer 35-50 million tonnes of crude oil per year. From Alexandroupolis, oil would be freighted by tanker to western Europe and the USA.

The companies that promote them and the respective governments have so far kept the public in the dark about the potential negative impacts of the projects. As the public has the full right to know about such environmental and social impacts, Eco-sense, with support from the Open Society Institute - Macedonia, organised a workshop aimed at informing the public about both sides of the promoted projects.

The workshop was officially opened by the Macedonian Minister for Foreign Investment Gligor Tashkovich. Minister Tashkovich was invited to this workshop due to his father's life-time dedication to constructing the AMBO. Before accepting his position as a minister in 2006, Tashkovich also worked for the AMBO Corporation.

Manana Kochladze from Green Alternative, a Georgian NGO and member of CEE Bankwatch Network, and Petko Kovatchev from the Green Policy Institute, Bulgaria, gave remarkable presentations about experiences with pipeline construction, outlining the environmental and social problems and economic concerns that come hand in hand with pipelines and oil. Interesting discussions among the representatives of several Macedonian ministries and energy institutions and Albanian and Bulgarian ministerial and NGO representatives took place, focusing on current ongoing problems in Vlora and Bourgas, the opposition of local communities, and other potential risks and threats.

It is clear that Bulgarian and Albanian citizens are already expressing strong opposition to the new constructions due to significant environmental problems in Vlora and Bourgas. In Macedonia, where the AMBO pipeline would transit, the main sensitive area is near Veles, where the Babuna River Gorge Monument of Nature is situated. If this area is bypassed by the pipeline route and left unharmed, the main issues for Macedonian citizens would be whether the Macedonian institutions are capable of ensuring the safe construction and functioning of the pipeline and whether the revenues received from the AMBO Corporation for the oil transit would actually be able to compensate for a potential oil spill.

This workshop was a first step in initiating a wider discussion about the AMBO and B-A pipeline projects. Of course, there should be many more similar events before the Macedonian public becomes aware of all the argumentation for and against the pipelines and makes a decision.

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## Why incinerate when we could do better?

### Residents of Zagreb must decide about waste management concept

On June 18, the City of Zagreb finally held a long-awaited public debate about the 385 000 tonnes per year municipal solid waste incinerator planned for construction in the eastern suburbs of Zagreb. The project promoters – representatives from the City of Zagreb, and the Ministry of the Environment, Spatial Planning and Construction, along with Austrian experts – faced overwhelming criticism from more than 300 residents, independent experts, academics, political party representatives and NGOs present.

Doctor Christian Krešimir Vutić of the Austrian Public Health Institute provoked derisive jeers when he claimed that incinerators do not have any health effects. He failed to react to the fact that, just ten days before the meeting, groups representing 35 000 doctors, physicians and oncologists from across Europe signed a letter asking the European Commission to stop supporting incineration.

“Incineration is harmful for citizens’ health and the environment, the most expensive of all the waste management options, and completely unnecessary, because alternatives exist,” remarked pharmacy and biochemistry Professor Stanko Uršić, concluding that, “In spite of the fact that new incinerators may be cleaner than the old ones, they still pollute and still produce thousands of tonnes of toxic waste which we should export to Germany.”

A promotional movie presenting AVN's incinerator in Zwentendorf, Austria, only made the audience laugh with its manicured assertions such as: “waste has a calorific value like coal” and “you can have even cleaner air with an incinerator in Zagreb”. The implication that the only choices are landfills and incinerators reminded those present about the lengths to which the incineration industry will go in order to sell its technology.

Tomislav Tomašević of Zagreb NGO Green Action raised several issues that remain unaddressed: “How can we even talk now about the incinerator or its size or its health effects when Zagreb city's waste

Residents of Zagreb at public debate



management plan has still to be developed, and the plan is the document that would need to justify building the incinerator in the first place.”Tomašević concluded that: “Citizens have to be consulted about the Plan and they can choose whichever option for waste disposal that they want.”

Representatives from the city and the ministry conceded that the decision to construct an incinerator cannot be made until the waste management plan for Zagreb is finished, with citizens involved. This plan will decide about systematic sorting and recycling schemes, and evaluate mechanical-biological treatment or the incineration of residual waste. Under Croatian legislation, the plan has to be the subject of a public consultation and only following this can the city council adopt it.

The City of Zagreb needs to prioritise the reduction of the amount of waste generated by recycling, avoiding and reusing materials. Currently Zagreb recycles at a rate of about 6.5 percent, while for example Dresden in Germany avoids landfilling or incinerating 75 percent percent of its waste.

Professor Stjepan Pepeljnjak from the University of Zagreb Faculty of Pharmacy and Biochemistry concluded the public meeting with a comment on the health risks which could result from the incinerator: “If we set a limit of 100 particles of toxins in the air, that does not mean that we should really approach that limit. If we now have 20 particles in the air, we should focus on preventing even those particles from being released from existing industry facilities. We should all be aware that persistent organic pollutants are persistent and they accumulate in fat. Ultimately, these end up in the human body causing acutely problematic carcinogenic and mutagenic diseases.”

Pepeljnjak's statement was met with sincere and passionate applause from the majority of the 300 people present.

Zagreb's incinerator project was first mentioned at the end of 1980, but the project was abandoned because of public resistance, strong arguments by experts and limited financial resources. The public company "Spaljivaonica otpada u osnivanju" was renamed as "Zbrinjavanje gradskog otpada" (ZGO), and for the first time a basic recycling system was introduced in Zagreb. Unfortunately, in the middle of the 1990s, the development of recycling stopped in the city, in contrast with most other wealthy countries where the percentage of recycled waste has been constantly growing. Almost 20 years have passed since experts and citizens first said no to this dubious project, yet the City of Zagreb still appears determined to carry through its plans to build an expensive incinerator, while waste prevention and recycling receive almost no support.

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## Poor implementation of EIA procedure results in low public participation on Demir Kapija-Smokvica highway

### First public hearing held with less than 20 interested citizens

The planned Demir Kapija-Smokvica highway is part of Corridor X, and the only remaining non-upgraded road of this corridor in Macedonia (though some stretches in the Serbian section are also standard two-lane roads). Due to an agreement with the Republic of Greece, the Macedonian government is required to finish upgrading the remaining section, to enable the link between the European countries to the north and Greece.

The highway between Demir Kapija and Smokvica is proposed to be a four-lane road, with a length of around 30 km (depending on the alternative chosen), and would cross near the protected Demir Kapija gorge. The gorge is rich in many endemic and rare animal and plant species and is one of the richest ornithological reserves in Europe involving the

presence of rare birds of prey: the Griffon Vulture (*Gyps fulvus*), Egyptian vulture (*Neophron percnopterus*), Golden Eagle (*Aquila chrysaetos*), Harrier Eagle (*Circaetus gallicus*), foxy buzzard (*Buteo rufinus*), various falcons (*Falco peregrinus*, *Falco naumanni*), as well as other rare bird species.

The highway construction would cost EUR 154 million, with a EUR 50 million grant from the Hellenic Plan for the Reconstruction of the Balkans, a EUR 27 million grant from the EU's Instrument for Pre-Accession Funds (IPA), and a EUR 50 million loan from the European Investment Bank. The remaining funds would be provided by the state.

The Environmental Impact Assessment (EIA) procedure for this project started at the end of 2007, when scoping and screening were carried out. The public was not informed about the results of these processes: nothing was published on the website of the Ministry of the Environment and Physical Planning (even though this is obligatory according to national legislation). The ministry has explained on several occasions that this was due to technical problems.

In April 2008, the Ministry of the Environment and Physical Planning started preparing for the public hearing but failed to announce it properly (according to national legislation the announcement for the release of the EIA Study and the date of the public hearing should be published in at least one daily newspaper). For more than a month it was uncertain when the public hearing would be held. Eco-sense sent an official request for all the relevant documents to be published on the website and all annexes to be made available for download before the start of the consultation period of 30 days.



Public hearing in Demir Kapija

On June 10 the public hearing was held in Demir Kapija. It was announced during the weekend, in the daily Vecer newspaper, only three days before the hearing was held. Although Demir Kapija has around 3500 inhabitants, only 20 local people came to the hearing. Apart from Eco-sense, there were no other NGOs present.

After the presentation by the Ministry of the Environment and environmental experts, people present were able to post questions and raise concerns. Eco-sense representatives raised concerns regarding the information and the release of the study in electronic form. The complete study with annexes (maps) was only released that same morning on the government's website, so none of the people present at the hearing could see the maps (the EIA study in hard copy was delivered to the city council office, but without annexes). Eco-sense also requested the results of the screening and scoping process to be published on the same page. Another request from the city council was more maps, especially of the region around Demir Kapija. The maps presented were much broader and the region and its specific details were not very visible. The ministry promised to make them available to the city council.

As a result of Eco-sense's requests, the ministry decided to prolong the consultation period until July 12. The EIA study is to be available on the government's website throughout this period. Another public hearing will be held before the end of the consultation period, in a nearby village.

It is of crucial importance that the public hearing is announced well in advance, so that all interested parties can take part in it. Should any other scenario occur, the ministry risks organising another public hearing with little attendance from local people. When such a situation occurs, all the issues that do not get resolved at an early stage of planning a project become more serious and impossible to solve when construction starts for real. The ministry must make sure that citizens are satisfied with the selected route and do not suffer the consequences of badly organised public consultations.

The study can be found at:  
<http://www.vlada.mk/eia/eia.htm>

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## The fight to prevent cyanide swamping Bulgaria goes on

There are more than 30 economically viable gold deposits in the beautiful mountains of Bulgaria that have recently been tempting the appetites of several investors in the sector. The Krumovgrad and the Chelopech projects, promoted by the Canadian mining company Dundee Precious Metals (DPM), have pioneered the idea of introducing cyanide for the leaching of gold. Three years after these projects were blocked at the Environmental Impact Assessment (EIA) stage, now the Bulgarian government has secured better economic terms in the form of higher concession fees and has declared the projects viable for implementation.

As widely predicted, more proposals for cyanide leaching have emerged as a result of DPM's breakthrough, the latest one coming from the Bulgarian company Gorubso that operates in the town of Kurdzhali in the East Rhodopi mountains. The public hearing on the project EIA took place in June and a decision on it is expected in September.

Gorubso Kurdzhali has been extracting lead and zinc through cyanide leaching – with low concentrations of cyanide – for more than 20 years. The present waste facility of Gorubso's plant is situated just 370 metres from the village of Vishegrad, causing severe health problems for its people and toxic “white wind” descending on Kurdzhali in dry seasons. The new proposal envisions the leaching of gold ores through the use of much higher concentrations of hazardous cyanide – the EIA talks of 60 tonnes of cyanide being used per year, i.e. 160 kg/day. The new cyanide installation is to be built at a distance of 450 metres from residential blocks, and is to use the old waste facility.

If a cyanide plant is built in Kurdzhali, it would be suitable for treating precious metal ores from the wider East Rhodopi area, including ores from the Khan Krum deposit near Krumovgrad. The Ada Tepe project, near the town of Krumovgrad, is the first stage of open-pit mining in the East Rhodopi range, which includes a Natura 2000 site of significant environmental value. The project has met with major opposition from the local community as the proposed mine facilities are to be located in close proximity (under 3 kilometres) to



The recultivated areas of the Chelopech gold and copper mine

the town's borders and upstream from the town's drinking water source. As the town's River Krumovitsa flows into the River Arda, which crosses into the territory of neighbouring Greece and then flows into the River Maritsa, the project has also caused big opposition in the Greek prefectures of Evros and Rhodopi.

In the case of Chelopech, DPM has already announced that its new metallurgical plant is to be ready by 2010. The waste facility from the new plant is to be the third one surrounding the village of Chavdar, at a distance that is less than 2000 metres as required by Bulgarian law.

All three projects follow a similar pattern of failure to comply with national and European legislation. All three propose cyanide leaching plants and/or waste facilities situated at very close proximity to residential areas and sanitary water source zones – breaching Bulgarian law, Regulation # 7 of 1992 by the Ministry of Health on the hygienic requirements of health protection in urban environment. The EIAs of the three projects lack strategies and action plans for cases of operational or transport accidents – breaching Directive 2006/21/EC on the management of waste from the extractive industries. Only the Ada Tepe project has undergone public participation with neighbouring communities in Greece, as required by the Espoo Convention for EIA in a transboundary context.

In spite of the long list of misgivings mentioned above, the Bulgarian government has declared its readiness to give the projects the green light. A major question now is whether the European Commission will turn a

blind eye as well, and weather the European Bank for Reconstruction and Development (EBRD) will continue its support for DPM. So far the EBRD has supported environmental rehabilitation for historical pollution at the Chelopech gold and copper mine with a EUR 10 million loan, as well as for the company's operations in the Kapan mines in Armenia.

Environmental NGOs have requested from the EBRD information about the evaluation of Phase 1 of the Chelopech project. They argue that the recultivation and environmental remediation have not been efficient and sufficient, as the health problems for communities downstream of the mining complex persist. The most recent case to raise public concern involved the village of Poibrene village where the settlement's drinking water source was poisoned with excess levels of arsenic in November 2007.

The coalition for Cyanide-free Bulgaria, together with Green Members of the European Parliament, have alerted the European Commission to the legal

problems associated with the projects' EIAs and have called for strict implementation of the European directives and Bulgarian regulations. As Bulgaria has been a member of the European Union since January 2007, this ought to mean the starting of new EIA procedures for the Chelopech and Ada Tepe projects, and the revising of the Gorubso project's EIA.

In June, following public hearings in Kurdzhali on the Gorubso's project EIA, the Bulgarian Member of Parliament from the United People's Party, Maria Kapon, submitted a draft for changes to the Environmental Protection Act that proposes the banning of cyanide leaching of gold. Kapon commented: "This proposal expresses our position on the Gorubso-Kurzhal case, as we are convinced that business interests can not overpower the regard for human health and life."

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## About Us

South East Europe Development Watch (SEEDW), formerly known as Stability Pact Watch, is a coalition of South East European environmental non-governmental organisations (NGOs) monitoring and campaigning on investments made by International Financial Institutions (IFIs) and the European Union (EU). SEEDW is a project within CEE Bankwatch Network and includes For The Earth (Bulgaria); Eco-Sense (Macedonia); CEKOR (Serbia) and Green Action (Croatia).

Formed in September 2002, the group's focus was originally on ensuring transparency and public participation during the reconstruction process led by the Stability Pact for South East Europe. One of the Stability Pact's main tasks has been to co-ordinate reconstruction, infrastructure development and structural reforms in the region. However, due to the lack of public participation, sectoral policies and environmental legislation within SEE countries, priority has often been given to large-scale prestige infrastructure and to privatisation projects, which too often cause negative environmental and social impacts, and benefit trans-national corporations more than the local population.

The Stability Pact is to be transformed into the Regional Co-operation Council (RCC) in 2008, and the main focus of development has shifted from post-war reconstruction to EU accession, but the need for scrutiny of IFI/EU investments in the SEE region is as great as ever.

SEEDW focuses on:

- monitoring and campaigning on IFI/EU-financed projects: Belgrade bypass, Cernavoda NPP, Chelopech gold mine, Zagreb municipal solid waste incinerator;
- monitoring the development of the TEN-T network to neighbouring countries and the Energy Community of SEE;
- ensuring that investments are oriented towards those with clear public and environmental benefits;
- ensuring the introduction and implementation of environmental legislation and public participation processes in SEE countries;
- and promoting sustainable energy and transport models in SEE countries.

**Contributions:** Ana Colovic, Fidanka Bacheva-McGrath, Natasa Djereg, Marijan Galovic, Daniel Popov

**English language editing:** Pippa Gallop, Greig Aitken

**Layout:** Gabor Siraki