

bankwatch Issue Paper

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The CEE Bankwatch Networks Mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation

ZAGREB MUNICIPAL SOLID WASTE INCINERATOR: AN UNSUITABLE QUICK-FIX

FOR ZAGREB'S WASTE PROBLEMS

The EBRD is considering financing a EUR 170 million, 385 000 tonnes per year municipal 'waste-to-energy' incinerator in Zagreb, Croatia, which would also burn sewage sludge from the city's EBRD-financed wastewater treatment plant. Local groups Green Action, SOS Gradec District and Resnik citizens' initiative believe that the project is premature and dangerous on the following grounds:

The City of Zagreb has made almost no effort to increase the low level of waste prevention and recycling, allocating only EUR 4.5 million for recycling vs. EUR 161.4 million for incineration in its waste management plan. Non-incineration options have barely been examined at all.

There is no satisfactory solution for the toxic residues resulting from incineration. Of around 100 000 tonnes of ash annually, 18 000-73 000 tonnes would be toxic fly ash and filter residues, for which Croatia has no storage or disposal facilities. The only suggestions have been to export the filter residues and set the fly ash in concrete and landfill it in Zagreb County. Given that concrete eventually erodes, that the final location of the landfill has not been decided upon, and that local residents are heavily opposing it, this can hardly be regarded as a reliable solution. In addition, half of Croatia's hazardous waste is currently missing, fuelling fears that the high costs of exporting filter residues (at least EUR 2.9 m per year) may be avoided by fly-tipping it.

It is far from certain that the incinerator would be safe. Croatia does not appear to have sufficient enforcement capacity to ensure public safety. Zagreb's previous incinerator, for hazardous waste, began operating in 1998 and attracted complaints and lawsuits from residents about health problems and pollution incidents. Only after several incidents and a particularly large fire in 2002 was the plant finally banned from operating. Experience from other countries is also worrying, for example, a comparatively new incinerator in Trieste was recently closed due to high pollution levels and in 1999 and 2000, every municipal waste incinerator for which meaningful data existed in the UK breached emissions limits several times.²

The plans are oversized and already out of date. Zagreb's waste figures and predictions did not take account of the new Waste Packaging Regulation that entered force in 2006 and increased the amount of glass, PET and aluminium packaging being recycled, so the planned incinerator is most likely oversized compared to the amount of residual waste. Zagreb County, which is also planning to burn its waste in the incinerator, does not even have precise waste figures and predictions.

Energy recovery from waste is an inefficient way of using the energy embodied in waste, as waste represents not only its physical calories, but also the energy needed to make more of the same material from raw materials. A Sound Resource Management Group Inc. report found that "on average, recycling saves three to five times as much energy as is produced by incinerating municipal solid waste".³

The cost of the incinerator for citizens is unknown. Incineration is notoriously expensive and the frequently cited EUR 170 million may not be the total cost. For example it is not known whether this figure includes the construction costs for the planned ash landfill, nor whether it includes running costs and the cost of exporting the toxic filter residues. Citizens have no idea how much the incinerator will add to their household bills.

¹ Tesić, Mladenka, Interview with UZOJ - Jakuševac Association for Environmental Protection, Zagreb, 2004

² Greenpeace: Criminal Damage: A review of the performance of municipal waste incinerators in the UK, 2001, p.7 http://www.greenpeace.org.uk/MultimediaFiles/Live/FullReport/3766.PDF

³ Sound Resource Management Group Inc: Recycling Versus Incineration. Pollution Probe Ontario, 1992

Irretrievably flawed project development process

Several violations of Croatian law and the EBRD's Environmental Policy have taken place within the project development process:

Although it is required by the Regulation on Environmental Impact Assessment (EIA) (Official Gazette No. 59/2000), there was **no public consultation** for the final version of the EIA before its approval by the Ministry of Environmental Protection, Spatial Planning and Construction in July 2006. A public consultation had been held on a previous version of the EIA in 2005, and had attracted serious concerns regarding the project, leading to the EIA's rejection. Several of the reasons given by the Ministry for rejecting the 2005 EIA remain unaddressed. In 2006 the EIA was amended and the rest of the EIA process, including the selection of a review commission, started again from the beginning, but the public consultation was missed out. **Green Action is currently engaged in legal action against the approval decision.**

The Freedom of Information Act (Official Gazette No. 172/03) has also been violated several times by Zagreb City Council and the Ministry failing to respond to information requests.

Most recently, in March 2007 a decision allowing exploratory work on a proposed site for an ash landfill in Zagreb County was taken in an apparently illegal manner by the heads of the Gradec and Dubrava District Councils.

Concerning the EBRD's Environmental Policy, several points have not been complied with:

EBRD EP: "At a minimum, project sponsors must ensure that all [...] national requirements for public consultation, and that the EBRD requirements, are met."

Articles 18 and 19 of the Croatian Regulation on EIA stipulate a public inspection period of between 14 and 21 days. **This did not happen**. Nor was there any public notification about the EIA process, nor any scoping process (as these are not laid down in the Regulation).

EBRD EP: "Project sponsors must make the EIA publicly available for comment, in strategic locations including at or near the project site..." Also "The EBRD strongly encourages project sponsors to place EIAs on Websites..."

This did not happen.

EBRD EP: "Following the completion of the public comment period, the project sponsor will need to provide information to those commenting and the affected public on how comments were taken into account."

Not only was there no commenting period but it appears that **that the Ministry withheld information on the EIA's approval with the aim of hindering appeals.** The EIA was approved on 21.07.2006, and the approval document stated that any appeals against this decision were to be made within 30 days. However, the Ministry did not respond to a relevant information request made in July, and the first media report about the approval does not seem to have appeared until 29.08.2006. There was no relevant information on the Ministry's website.

Green Action, SOS Opcina Gradec and Resnik citizens' initiative believe that the project has repeatedly violated the EBRD's policies and ask the EBRD to actively halt the project appraisal process. Neither Zagreb City Council nor the Ministry of the Environment has shown itself to be sufficiently responsible to implement and adequately monitor such a potentially dangerous project, nor have we seen evidence that the EBRD's involvement is succeeding in raising the standard of the project development process to a satisfactory level of transparency.