

The village of Junkovac near the Kolubara mine - neglected and destroyed

For more information

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CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

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Recent history, same old story

The story of Junkovac in Serbia highlights systemic violations of human rights, neglect and wrong doings in the lignite mining sector that have not changed since EBRD involvement began in 2000. The same can be said of Kolubara and also the Kostolac region of Serbia.

Junkovac is a village in the eastern part of the Kolubara mining complex, which is directly linked to the EBRD-financed Kolubara project signed and implemented in 2011. Junkovac is actually the place where excavations from the so-called B and C fields (financed by the EBRD) are dumped just steps away from the village.

Mining operations in this region started after second world war and expanding in the late 1960s and 1970s to extensive, open-cast mining. In the last half-century, hundreds of families were expelled and whole villages destroyed for the benefit of Kolubara mining. Planned and satisfactory resettlement is rare in this region. Most households were resettled in this period, forcing inhabitants to build their next house again very close to the mining fields, only to be resettled again in few years. This was the case with a number of families in the western part of the Kolubara mining complex that were resettled to make for the Tamanava west field, again financed by the EBRD.

One of most recent cases of violations of human and property rights involves the illegal dumping of overburden from the mines at the Junkovac site that for years has been a threat to the properties and lives of hundreds of people in the nearby village.

What are the main problems?

- No strategy on resettlement of people from future mining and dumping sites
- Violations of the right to life and a healthy, safe environment for local communities
- Violations of the obligatory distance for inhabited communities from mining operation
- Violation of property rights
- Lack of legal protection for local communities in cases of harassment and pressure from the media, the company, court system and project financiers
- Violations of people's rights to receive full compensation that includes a fair assessment of asset prices, like homes
- Attempts to expel without expropriation so-called 'illegal houses,' without protecting those rights to housing.

The scale of the problem

Since the 1960s, the lignite sector in Serbia has been the dominant force in energy production and consumption, accounting for 70 percent of produced electricity (or 50-55 percent of final consumed energy when counting all final energy). This has not changed under the 'positive impact' of the EBRD's involvement or EU approximation, thus question to what extent these institutions are actually having a positive impact on the Serbian way of producing and consuming energy and its social, environmental and economical effects.

The Kolubara mining complex is one of the oldest brown coal mining operations in Serbia and in southeast Europe. In both the eastern and the western part of 600 square kilometre complex, about 29 to 31 million tonnes are produced, and plans are to increase production at Kolubara to about 36 million tonnes from 2015 onward. Production at Kostolac is planned to increase from about 7-9 to 12 million tonnes.

EBRD financing of mining operations at the Kolubara complex affects hundreds of families in the eastern and western parts of the complex. These operations have for more than decade affected properties, the environment and human rights, and an appropriate reaction from bank management – one that would finally and significantly change the approach at Kolubara and its impacts on the local communities – is missing. These violations are just slicker packaging of the same violations that systematically occurred throughout the decades of production in this region since the 1960s.

While the EBRD presents the impacts of its finance as limited exclusively to those sites that it directly finances – such as investments in excavation machinery, conveyor belts for the transport of excavated lignite and for mixing of low and higher quality lignite – it is clear that new and unexpected developments are a direct result of the impacts of EBRD finance.

No reaction to multiple warnings

In May 2013, a landslide occurred in Junkovac. At first the Serbian utility EPS and the Kolubara company attempted to cover up the problem and did not inform the media and the public about the ongoing disaster. Once CEKOR learned that a landslide happened, it informed the media about the magnitude of the problem. Kolubara promptly reacted by sending bulldozers to try to slow the flow of the landslide. In several days, as the disaster finally became known, authorities promptly pronounced a natural disaster in Junkovac, thus attempting to cover up responsibility for the illegal dumping and its culpability in failing to resettle Junkovac inhabitants.

In a clear violation of obligations for quality resettlement, Kolubara hastily initiated some kind of fast track attempt to resolve property issues with the affected population. This attempt was once again designed to cover for the shortcomings in resettlement that can be summarised as ‘take it, or leave it’.

It was known for years that the Junkovac dump site was illegal and endangered residents’ houses, as evidenced by their communication with the company and local authorities in March 2012

that pointed out cracking houses and shifting soils. Such a situation was expected to trigger a complaint to Kolubara’s recourse mechanism, which was supposed to have been established already in 2011 but was not yet functioning. To date no such system is in place.

The response from the EBRD in November 2013, almost six months after the landslides destroyed parts of Junkovac, said: “The company (Kolubara) has also informed us that they took action to re-house the 13 families directly affected, and are now arranging for the permanent relocation and compensation of these households along with a further 24 households in the vicinity. EBRD will request updates on the situation, and will continue to urge Kolubara management to ensure that affected families are treated fairly and that steps are taken to avoid any re-occurrence.” This demonstrates that the EBRD does not understand its own obligation as per its Environmental and Social Policy as well as international best practice to plan resettlement actions long before they happen and moreover to protect those that face the inevitable destruction of their homes and properties.

Already in March 2012, Junkovac residents signed a petition outlining the damage in the village due to mining operation and informing authorities about the cracks in their houses and the signs that the ground is moving. At the same time, CEKOR repeatedly informed the EBRD that the cumulative impacts of its Kolubara operations were affecting inhabitants far more than the bank understood.

CEKOR has done as much as possible to raise issue of the cumulative impacts of the EBRD project, but the bank has remained silent.

Sequence of developments: reaction of authorities, the company and the bank

Even though it attempted to cover up the disaster, the company did not succeed to hide it from the public.

1. 28 May 2013: CEKOR informed the media about the unfolding disaster
2. 5 June 2013: CEKOR alarmed the mining inspectorate and requested an urgent investigation and identification of responsible persons. The same day CEKOR requested that the ombudsman Saše Jankovic visit Junkovac
3. 8 June 2013: The assistant to the director of MB Kolubara Milivoj Nikolic appeared on Aljazeera and said that they will pay for the collapsed houses in the second half of June (this has yet to happen)
4. 29 July 2013: Junkovac resident Nebojša Vasiljevic lodged a complaint 2-01-5927 with

Kolubara's grievance mechanism and requested fair compensation for his house that was endangered by the landslide. More than 30 days passed before Mr. Vasiljevic received an answer but which eventually did not provide clear explanations or plans how to resolve his situation.

5. 1 August 2013: CEKOR received a document from the Mining Ministry dated 24 June 2013, which was signed by the head of the department of mining inspection Mr. Siniša Tanackovi, which states: "the deposit of material in the eastern part of this dumping site in the B field was not in accordance with the project, it was deposited above where it should have been."
6. 20 September 2013: MB Kolubra answered CEKOR's open letter but failed to inform about when it would pay for houses destroyed by landslide. On the question of whether MB Kolubara would pay Junkovac residents in line with the EBRD Environmental and Social Policy, the company answered that it would pay in accordance with Serbian legislation. The Serbian practice is to pay a reduced amount since the houses are old, which is a clear violation of the rights to housing as defined by European the Charter of economic and social rights and the UN's charter on economic and social rights. This is because once you try to build a new house, you will need to buy new materials, pay wages to workers and pay for infrastructure in current prices, and not those of the 1960s or 1970s when the property was originally constructed. Such an approach should be strongly opposed and the EBRD should clearly demand full appraisal of properties. Another problem is the Serbian practice of questioning the legality of housing. This was an issue for the bank in the case of the Gazela project that showed all too well the disastrous consequences in not protecting the right to housing.
7. 4 November 2013: EBRD finally responded to CEKOR's letter related to situation in Junkovac.
8. 28 March 2014: CEKOR pressed criminal charges against the Kolubara mining firm for the Junkovac landslide.
9. 17 April 2014: CEKOR informed Alistair Clark of the EBRD about the criminal charges against Kolubara: "In relation to the landslide and Junkovac, allow us to inform you that in spite of the new cracks appearing in the soil and houses, Kolubara mining firm continued to dump waste in Junkovac perimeter. CEKOR has received information from local sources that the company increased the number of machinery from one to three. According to our source, bulldozers No. 6 and No. 9 are dumping materials from field D, and bulldozer No. 5 from field B. Local inhabitants see this as a danger to their property and lives."
10. 1 May 2014: One of the main excavators that

is digging overburden and sending it to the Junkovac dump site collapsed, resulting in millions of euros worth of damage and injuring a number of workers

Throughout the year Junkovac villagers have collectively demanded to be resettled and to be paid for damages to their houses. CEKOR is in possession of the names of most of the people that are demanding resettlement.

Is this just a one-off example?

Similar violations by the Kolubara mining company are occurring in Radljevo, Kalenic, Brgule, Vreoci, Barosevac, Zeoke and others. At the Kostolac mining complex, a similar situation is found, highlighting a worrying practice at EPS operations. In Drmno, villagers face a same problem with dumping sites, where a more than 50 metre-high dump is planned. Cirikovac, Klenovik and other villages are demanding resettlement but are not considered eligible, in spite of being located close to the mining operations.

In the case of the Kostolac project, the EBRD should clearly show that it will not cooperate with companies that violate human rights.

Recommendations

Violations in the case of Junkovac are connected to the operations of EPS and enabled by the support of the EBRD. The bank must revisit its cooperation with EPS until these issues are resolved, and consider suspending tranches that are yet to be disbursed. Kolubara is producing record amounts of lignite, so the question of EBRD additionally in this case is suspect.

The entire villages of Junkovac (as with Vreoci, Barosevac, Radljevo and Kalenic) should be resettled in a proper and sustainable manner. A consultation mechanism should be formulated in an open, transparent and consultative manner.

Authorities and the company should provide resources to prepare a genuine census, the estimation of needs, location, detailed protective advisory assistance and a grievance mechanism for inhabitants. This process should include locals and interested NGOs, which have earned locals' trust and who have the capacity to represent and advocate for their needs.

The EBRD should demand that those responsible for these violations are held to account, that the properties already destroyed should be paid in full and that people should be assisted with resettlement in line with the bank policy.