

Belgrade waste public–private partnership (PPP)

For more information

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The Vinča waste PPP contract between the City of Belgrade and the Suez–Itochu consortium raises numerous issues including the terms of the contract, the waste management model envisaged, and the impacts on the Roma population living on the landfill, as well as those surviving in the city through informal waste collection. The PPP contract was signed in September 2017 but was not yet made public although such an obligation is prescribed by the national law.

Since the PPP contract, signed more than seven months ago, has not yet been made public and since the scoping study for the environmental impact assessment (EIA) for the waste-to-energy incinerator and landfill gas facility has recently been subject to public consultation, in this paper we focus on the issues raised by the latter document.

It is clear that the waste situation in Belgrade demands urgent action and that doing nothing is not an option. However we believe that the **plans for a waste-to-energy incinerator will effectively prevent Belgrade from developing a sound waste prevention strategy based on prevention, re-use, recycling and composting.** This is because it will lock in both financial and waste material resources and crowd out alternatives.



Photo from the protest February 2018, Belgrade Serbia

We recognise the need for landfill rehabilitation but see no reason to carry out this component through a public–private partnership. **We therefore call on the international financial institutions not to support the Belgrade waste PPP and instead to support waste prevention, re-use, recycling and composting in order to move Belgrade nearer to, and not further from, contributing to a circular economy.**

In particular, we need to point to the following concerns:

1. Incineration lock-in and derailing Serbia from meeting EU recycling targets

The EU Waste Framework Directive 2008/98/EC sets recycling targets of 50% for municipal waste by 2020, and the European Commission is proposing a recycling target of 65% by 2030¹. Serbia, as an EU candidate country, will need to meet these increasingly strict targets and contribute to the EU's circular economy policies. Belgrade, as the largest city, will have a decisive impact on achieving this.

Building an incinerator will directly compete with recycling and prevention initiatives, as there will be little incentive to minimise waste volumes due to the need to supply the incinerator. The scoping study does not indicate that the EIA will address this issue at all.

Belgrade can learn from the opposing approaches taken by two nearby EU capitals, Zagreb and Ljubljana. Ljubljana has in only a few years significantly increased its recycling and achieved over 60% of municipal waste², while in Zagreb it is not clear how much is recycled³, but Croatia overall is likely to have to pay fines due to its failure to reach the EU 2020 recycling targets. Zagreb has played a key role in this situation by putting a planned incinerator at the centre of its waste management policy for more than a decade and failing to develop an effective recycling system. Due to public opposition and lack of financing the City of Zagreb has finally withdrawn from building an incinerator and the city is now at least a decade behind where it could be by now in terms of prevention and recycling.

2. Potential conflict with the Energy Community Treaty

Electric energy produced by the waste-to-energy incinerator is agreed to be bought off by the public company at the price of 8.57 cEUR/kWh (6.91 cEUR/kWh for energy deriving from the landfill gas) for the first 12 years of the contract⁴.

¹ http://ec.europa.eu/environment/circular-economy/index_en.htm

² <https://zerowasteurope.eu/downloads/case-study-5-ljubljana-2/>

³ A study commissioned by the European Commission could not identify the exact quantity but estimated less than 10% of municipal waste is recycled.
https://www.municipalwasteurope.eu/sites/default/files/HR%20Zagreb%20Capital%20factsheet_0.pdf

It is not clear how this can be carried out in line with Serbia's state aid obligations under the Energy Community Treaty. The Guidelines on State aid for environmental protection and energy 2014– 2020 published by the EU Commission and subsequent policy guidelines published by the Energy Community Secretariat require the end the feed-in tariffs (FIT) based incentive schemes for all but the smallest facilities and a turn towards market driven principles to foster producers' competition with feed-in premiums (FIP) acting as an additional stimulation⁵.

3. Basic data missing

The scoping document contains a large amount of technical information about the planned waste-to-energy and landfill gas facilities but several basic pieces of information that would allow informed comments are missing, including:

- how much waste is currently generated in Belgrade
- how much is predicted to be generated in the period that Beo Čista Energija d.o.o. would run the facility (25 + 5 years)
- how much is recycled today
- how much is expected to be recycled in the future
- how much waste per year will be burned in the waste-to-energy facility
- the expected efficiency of the waste to energy facility
- how much diesel will be required for start-up and auxiliary operation
- how much water will be used and what treatment it will undergo before discharge

4. No alternatives mentioned and waste management hierarchy ignored

The scoping study does not prescribe which alternatives should be examined in the EIA but only states that alternatives have already been examined, mostly in terms of compliance with the Best Available Techniques Reference Document (BREF) for waste incineration. No commitment is made to examine

⁴ <http://www.mre.gov.rs/doc/efikasnost-izvori/B02%20Uredba%20o%20merama%20podsticaja%20za%20povlascene%20proizvodjace.pdf>

<https://balkangreenenergynews.com/rs/beograd-uvodi-taksu-tretman-otpada-jpp-projekta-u-vinci/>

⁵ <https://www.energy-community.org/legal/policy-guidelines.html>

alternatives in relation to the waste hierarchy prescribed in the EU Waste Framework Directive, Serbian waste management strategy 2010–2019 (Sl.glasnik RS br. 29/10) Belgrade local waste management plan 2011–2020 (Sl. list grada Beograda br. 28/11):

- Prevention
- Preparing for re-use
- Recycling
- Recovery
- Disposal⁶

Alternatives need to be examined which include prevention, re-using, recycling, and composting.

One of the documents obtained via official information requests by Transparency Serbia, Form T2.3 Base Case Waste Flow, seems to indicate **that no less than 29% of waste in Belgrade is food waste. Paper and cardboard make up 18%, plastics 14% and green garden waste 7%.** Almost none of these need to be disposed of and should be prevented, recycled or composted.

5. Lack of alignment with the Belgrade Local Waste Management Plan 2011–2020

The local waste management plan, while far from satisfactory, at least foresees some separation of waste and pre-treatment in a mechanical–biological treatment facility before incineration of refuse–derived fuel. However the facility described in the scoping document appears to be intended to burn all kinds of communal waste and no pre-treatment is mentioned. This also relates to the point above regarding the Waste Framework Directive.

6. New waste incineration BREF not mentioned

While we do not believe an incinerator is appropriate at all, especially while Belgrade has such low recycling levels, if such an approach is considered, it must at least be in line with the latest technical standards. The scoping study mentions the 2006 waste incineration BREF but not the fact that a new one is under development and a draft was published in 2017⁷. The 2006 BREF reflects technologies which were in

commercial use in the years before that, meaning they are now around 15 years old. The EBRD’s Environmental and Social Policy PR3 requires the application of Best Available Techniques, which we understand to mean those of today, not of 15 years ago. There is no point in building a facility which would need to be retrofitted within a few years in order to comply with the new rules, especially as the draft BREF gives a good indication as to what the new standards will be.

7. Hazardous waste in municipal waste

The EIA study will need to explain how limit values of pollutants in emissions to air will be adhered to when no pre-sorting of waste is indicated. This means that materials such as paints, varnishes, PVC, batteries and other materials will be incinerated, which will impact on the emissions to air and on the contents of the bottom ash. The Belgrade local waste management plan states that 1–3% of waste collected in Belgrade consists of hazardous waste, and it appears that there is no action foreseen to stop it being incinerated with the communal waste.

8. No solution for hazardous waste from the incinerator

The EIA needs to show where and how the hazardous waste fly ash and filter residues would be disposed of, considering that Serbia does not have a designated site for such waste. Creating a new sources of such waste before a solution is found for existing hazardous waste would be unethical and in contravention of the principles in Article 16 of the Waste Framework Directive. It would also increase the likelihood of the waste being dumped inappropriately to avoid expensive export costs.

9. Lack of capacity of Serbian institutions to ensure compliance and protect health

While the health impacts of incinerators are hotly disputed, it is clear that well-functioning institutions are needed to ensure compliance in terms of emissions to air, water, soil and in ensuring appropriate disposal of the resulting waste.

⁶ <http://ec.europa.eu/environment/waste/framework/>

⁷ <http://eippcb.jrc.ec.europa.eu/reference/>,

http://eippcb.jrc.ec.europa.eu/reference/BREF/WI/WI_5_24-05-2017_web.pdf

Experience with coal-fired power plants in Serbia has shown that state institutions have not been able to ensure timely implementation of pollution control measures, nor continuous measuring of emissions to air, nor timely release of such information to the public⁸. Among other substances, incinerators generate dioxins and furans, which are carcinogenic, but there is no legislation in Serbia prescribing the measurement of these substances and no institutions which carry it out.⁹



Photo from a protest in June 2017, Belgrade, Serbia

10. Impacts on informal waste collectors

The scoping study mentions the waste collectors who live on the existing landfill but does not mention the potential impact of the incinerator on those who survive by collecting waste informally and selling it onto waste management companies. If Belgrade has

difficulty providing the contracted amount of waste to the incinerator, it may clamp down on informal waste collection in order to increase the volume available. It is estimated that between 5000 and 10 000 people in Belgrade survive from such practices, so the impacts could be extremely serious.

⁸ Even though it committed back in 2005 to compliance by 1 January 2018 with the Large Combustion Plants Directive, at the time of writing, Serbia has still not adopted a National Emissions Reduction Plan. This technically means that all its plants should be in full compliance with the Directive as of 1 January 2018 yet in reality, not one is. The Centre for Investigative Journalism in Serbia (CINS) has recently shown how EPS has received a number of loans aimed at improving environmental performance and has lagged behind in implementation, costing the public both in health and financial terms: https://www.cins.rs/srpski/research_stories/article/eps-neodgovorna-racun-gradjana It is not clear what action has been taken by the

competent institutions but EPS appears to be under very little pressure. In addition, monitoring of emissions by state institutions is incomplete. For this reason, Bankwatch has undertaken indicative air quality monitoring in Drmno, near the Kostolac coal plant:

<https://bankwatch.org/blog/call-the-chimney-sweepers-independent-monitoring-shows-for-first-time-true-level-of-air-pollution-near-coal-plant-in-serbia>

⁹ <https://www.blic.rs/vesti/beograd/opasan-dim-nad-beogradom-dekan-hemijskog-fakulteta-izneo-sokantne-podatke/q06r0hn>