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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE AND NATURAL HABITATS

Standing Committee

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Bureau of the Standing Committee

10-12 September 2024 Strasbourg

Open File: 2020/9

Possible negative impact of hydro-power plant development on the Neretva River (Bosnia & Herzegovina)

- REPORT BY THE COMPLAINANTS -

Document prepared by Center for Environment (FoE Bosnia & Herzegovina), Aarhus Centre in Bosnia and Herzegovina, RiverWatch, EuroNature, CEE Bankwatch Network, ClientEarth



CENTAR ZA ŽIVOTNU SREDINU CENTER FOR ENVIRONMENT



No: 592/24

Banja Luka, 31st October 2024

Directorate General of Democracy Council of Europe Bern Convention Avenue de l'Europe F-67075 Strasbourg Cedex, France

To:

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Attn.:

Mr. Mikaël Poutiers - Secretary of the Bern Convention

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Mr. Marc Hory - Project Manager - European Diploma for Protected Areas and Emerald Network

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<u>SUBJECT</u>: 6th Update report on Open File: 2020/9, Possible negative impact of hydropower plant development on the Neretva River (BaH)

Dear Mr. POUTIERS.

Dear Mr. HORY,

Dear Ms. MEDLINSKA,

Dear Ms. BUJAROSKA,

Hereby we are submitting our sixth update report regarding the case file No. 2020/9 (Possible negative impact of hydro-power plant development on the Neretva River, BaH).

Please be informed that all the points from our latest update report are still relevant, as **there has not** been any significant progress in implementation of the Recommendations no. 217 (2022).

However, here is a brief follow-up of our latest inputs to the StC:

1. The **HPP Ulog dam is constructed,** and the investor has **finalized the reservoir filling**, which led to psychical and chemical water changes in the accumulation. While the remaining activities continue to pollute the river downstream, the factual state ultimately renders the <u>Recommendation no. 7</u> as futile.







HPP Ulog dam, reservoir and machine house construction site, September 2024 (Photos: Robert Oroz)

- 2. After the Supreme Court of Republika Srpska rejected the lawsuit against the **renewal of the environmental permit for HPP Ulog**, which was filed by local CSO "Zeleni Neretva" from Konjic, revision of this decision is pending before the Constitutional Court of Bosnia and Herzegovina after CSO's appeal.
- 3. The **concessions for HES Upper Neretva Phase I and II** (7 SHPPs) **remain in place.** The Ministry of Energy and Mining still have not initiated any legal steps towards cancelation of these concessions (<u>Recommendation no. 8</u>). The **status of these concessions is unchanged**, even after the legal analysis has been provided to the Ministry by CfE to facilitate the recommendation implementation.
- 4. While the permitting procedures are temporarily suspended, **the protection granting procedure is effectively also suspended.** The Ministry for the Environment, although it temporarily suspended the EIA approval and environmental permit renewal procedures for HES Upper Neretva projects, it is waiting for the government "approval" to follow-up the submission of the draft Study of Protection of the area (<u>Recommendation no. 1</u>).
- 5. **Projects located in the Federation of BiH** (HPP Bjelimići and HPP Glavatičevo, and the Bjelimići pumped storage plant), **remain dormant** (Recommendation no. 9).
- 6. The construction of the **Upper Horizons** hydropower scheme (HPP Dabar et al) **remains a priority project** for Republic Srpska authorities. There was **no official ban** on further

development of hydropower plants in all candidate Emerald sites in the Neretva River basin (Recommendation no. 13).

The District Court in Banja Luka has ultimately rejected majority of lawsuits that have been filed against five construction permits for HPP Dabar in April 2024. After the annulment of one construction permit for this project, the Ministries decision to re-issue the permit was challenged once again. Other four construction permits remain valid, so four requests for extraordinary revisions before the Supreme Court of Republika Srpska were initiated by the complainants and are pending. However, these **court cases have not affected the construction** of HPP Dabar project.

Additionally, court case in relation to access to information (Construction and Loan agreements for HPP Dabar) is still pending before the District Court.

7. In terms of **collaboration** of authorities with the complainants (<u>Recommendation no. 14</u>), after our participation at the 56th session of the Inter-entity Body for Environmental Protection, so far, **the complainants were not invited to follow-up session**.

Conclusion:

Ultimately, we can inform the StC that, so far, the authorities in BaH have not implement the Recommendations no. 1-14.

Sincerely, President

Tihomir Dakić

On behalf of the other Complainants:
Aarhus Center in Bosnia and Herzegovina
EuroNatur
RiverWatch
CEE Bankwatch Network
ClientEarth

- July 2024 -



CENTAR ZA ŽIVOTNU SREDINU CENTER FOR ENVIRONMENT



No: 406/24 Banja Luka, 29th July 2024

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<u>S U B J E C T</u>: 5th Update report on Open File: 2020/9, Possible negative impact of hydropower plant development on the Neretva River (Bosnia and Herzegovina)

Dear Mr. POUTIERS,

Dear Mr. HORY,

Dear Ms. MEDLINSKA,

Dear Ms. BUJAROSKA,

Hereby we are submitting our fifth update report in regards to the case file No. 2020/9 (Possible negative impact of hydro-power plant development on the Neretva river, Bosnia and Herzegovina).

Namely, all of the points from our latest update report, which was presented on 43rd meeting of the StC, are still relevant, and there has not been any significant progress in implementation of the Recommendations no. 217 (2022) since December 2023.

However, we would like to briefly summarise and update our latest inputs to the StC:

1. The construction of the HPP Ulog has not been halted (<u>Recomm. no. 7</u>). The construction of HPP Ulog is **very near its finalisation**. In fact, **the investor has started with a test reservoir filling**, which is currently ongoing. Photos from HPP Ulog construction site (dam, reservoir and machine house), taken in July 2024, please find here.

2. Additionally, we would like to share with you that **the Supreme Court of Republika Srpska rejected the lawsuit against the renewal of the environmental permit for HPP Ulog,** filed by local NGO "Zeleni Neretva" from Konjic.

The courts rendering is as follows:

- a) There is no proper understanding of the court that the change of the project needs to be assessed in the official screening procedure, or at least needs to be followed by such a procedure, considering the requirements of Art. 4(2) and Annex II point 13(a), of the EIA Directive:
- b) Amended EIA Directive cannot be directly applied and is not applicable in this case; c) Cumulative assessment seems to be only considered for projects that are simultaneously under construction with the existing project, so planned projects are not considered;
- d) Assessments submitted concerning the transboundary impacts on Federation of BiH, and of the on-the-spot appraisal of the Bern Convention are also not relevant according to the RS Supreme Court decision.
- 3. The **7 SHPPs** (HES Upper Neretva Phase I and II) **are still pending.** The Ministry of Energy and Mining, or the RS Government as the concession grantor, still have not initiated any legal steps towards cancelation of these concessions (Recomm. no 8).

However, important to note is that the representatives from Center held a meeting with representatives of the Ministry in April 2024, at the Ministry premisses. On this occasion we received additional information in relation to status of the HES Upper Neretva project and concluded that cancelation of this particular concession is a mutual interest. On the meeting, we were provided by a copy of investors most recent letter to the Ministry, (from 21st September 2023), in which the investor presented his efforts (and obstacles) to realise the project. Along this, after finally obtaining a copy of Concession Agreement for HES Upper Neretva project (including three Annexes), legal team of Center conducted a thorough legal analysis of all the documentation provided.

The result of the legal analysis was that, in fact, there is a strong legal basis to declare the Concession Agreement as canceled — due to circumstances proscribed in the very Agreement, which is legally binding for both parties.

Namely, the lack of Ministries action to extend the deadlines and sign additional Annex to the original agreement (a fourth Annex), despite investors written request for such action, led to the Concession Agreement cancelation. Latest investor request for signing additional annex to the agreement was filed in February 2021. However, the Ministry remained silent until today, and the investors request is still de facto pending, three and a half years after its submission. According to provisions of the very Concession Agreement (Article 19, Paragraph 8), approval of additional Annex was due latest in March 2021 (30 days after filing a request by investor). Since the Ministry never gave approval for this, and it's three and a half years overdue to do so — the Concession Agreement is no longer nor valid for realisation of this concession.

The Centres legal **analysis was shared with the Ministry** as well. On 4th July 2024, Center sent a copy of the detailed document, stressing out the above conclusion. also, a follow up meeting with the Ministries representatives to facilitated next steps was proposed, due to the evident **need (or duty) to officially declare the Concession Agreement as canceled.**

Since the status of the Concession Agreements is viewed as preliminary reference for continuation of protection granting procedure, it represents a real obstacle that it legally no longer standing. However, so far, the request for additional meeting remains as pending and **the Ministry is so far silent**.

4. Additionally, in relation to protection granting procedure, which is still pending before the Ministry of environment, we can inform that the **environmental permit renewal procedure for Phase II** (of the HES Upper Neretva project, consisting of 4 SHPPs) has been **temporarily halted** by the Ministry on 16th June 2024. This represents the same "treatment" as for the Phase I of the project, in which case the EIA procedure was halted until further notice.

However, it is important to note that, although (to some degree) such action can contribute to the implementation of recommendations, still it can not represent an official implementation. The same Ministry, which in fact temporarily halted the EIA and environmental permit procedures, is also in charge **to follow up the submission of the Study of Protection** of the area (which was provided in 2022, but still rests in this Ministry). In accordance of the Law on Nature Protection, so far, the Study had to be subject to the public consultation procedure, along with the proposal of Protection Declaration Act.

Since earlier interpretation of this Ministry, it is quite clear that for such action — in terms of next steps for officially declaring protection — a clear position of the **RS Government is being awaited.**

5. To best of our knowledge, **projects located in the Federation of BiH** (HPP Bjelimići and HPP Glavatičevo, and the Bjelimići pumped storage plant), **remain dormant but still in place**.

Most recently, some action has been noticed by the General Attorney Office of Bosnia and Hercegovina, but apart from this, so far we have no information about any official or legal steps that have been taken from the entity nor state level institutions.

6. Referring to point 13 of Recommendation no. 217 (2022), requesting Bosnia and Herzegovina to implement a ban on further development of hydropower plants in all candidate Emerald sites in the Neretva River basin — we would like to update you that the construction of the **Upper Horizons hydropower scheme** remains ongoing as a priority project for Republic Srpska authorities.

In April 2024, Aarhus Center in Sarajevo and Center (acting as Aarhus Center in Banja Luka), after finally receiving copies of five construction permits issued for HPP Dabar, filed parallel lawsuits against these permits (filing 10 lawsuits in total) in April 2024. These cases are pending before the District Court in Banja Luka. Additionally, a case in relation to access to information (Construction and Loan agreements for HPP Dabar) is also pending before the District Court in Trebinje.

7. In terms of collaboration of authorities with the complainants, we can inform that our request to participate in the **56th session of the Inter-entity Body for Environmental Protection** was approved.

The meeting was held in late February 2024 in Sarajevo, at the premisses of Federal Ministry of Tourism and Environmental Protection. The agenda included the "Information on current activities of the Bern Convention in relation to the HPP 'Ulog' and HES 'Upper Neretva' project'. No discussion on projects in Federation of BiH was proposed on the agenda.

Although some fruitful dialogue and facilitation was expected, the chair of the Body stated that, in terms of recommendations implementation, they can not interfere with entity level authorities competence. However, **no real capacity for facilitation** was demonstrated by the chair or other members at the meeting. Ultimately we can inform that the result of the meeting was just to confirm that — apart from establishing the focal point for the Bern Convention in 2023 — there has not been implementation of any other recommendations by the authorities in BiH.

Sincerely,

President

Tihomir Dakić

On behalf of the other Complainants:
Aarhus Center in Bosnia and Herzegovina
EuroNatur
RiverWatch
CEE Bankwatch Network
ClientEarth

- February 2024 -

No: 61/24

Banja Luka, 7th February 2024

Directorate General of Democracy Council of Europe Bern Convention Avenue de l'Europe F-67075 Strasbourg Cedex, France

Attn.:

Mr. Mikaël Poutiers - Secretary of the Bern Convention

Mr. Eoghan Kelly - Project Assistant of the Bern Convention

Mr. Marc Hory - Project Manager - European Diploma for Protected Areas and Emerald Network

<u>S U B J E C T</u>: 4th Update report on Open File: 2020/9, Possible negative impact of hydropower plant development on the Neretva River (Bosnia and Herzegovina)

Dear Mr. POUTIERS, Dear Mr. KELLY, Dear Mr. HORY,

Hereby we are submitting our fourth update report in regards to the case file No. 2020/9 (Possible negative impact of hydro-power plant development on the Neretva river, Bosnia and Herzegovina).

We would like to confirm that all of the points from our latest Update report, which was presented on 43rd meeting of the StC, are still relevant, and that to best of our knowledge there has not been any progress in implementation of the Recommendations no. 217 (2022) since the StC meeting in December 2023.

However, we would like to briefly summarise and update our latest inputs to the StC:

- 1. The construction of the HPP Ulog has not been halted (<u>Recommendation no. 7</u>). The **construction of HPP Ulog is near its finalisation**. Photos from HPP Ulog construction site(s), taken on 3rd February 2024 please find <u>here</u>.
- 2. The **7 SHPPs** (total power of 15 MW) in the uppermost stream of the river (HES Upper Neretva Phase I and II), **are still pending.** The Ministry of Energy and Mining, or the RS Government as the concession grantor, have not initiated any legal steps towards cancelation of these concessions, so no steps have been taken to implement Recommendation no 8. The request for access to information for copies of Concession Agreements for 7 SHHPs remains pending since September 2023, so the agreements are still undisclosed to the complainants, and thus for any possible legal review and action.
- 3. CfE's letter to the RS minister for environment from June 2023, with a proposal for a consultative meeting on the status of play in regards to ongoing protection procedure of the Upper Neretva area, remains without any feedback from the ministers office so unfortunately there is still no dialogue or cooperation between complainants and this ministry.
- 4. To best of our knowledge, **projects located in the Federation** of Bosnia and Herzegovina (HPP Bjelimići and HPP Glavatičevo, and the Bjelimići pumped storage plant), remain dormant but **still in place**. Federal Ministry for Environment and Tourism has, among

- others, invited CfE to a regular meeting which will be held in Sarajevo on 21st February, where hopefully these projects will be discussed as well.
- 5. Referring to point 13 of Recommendation no. 217 (2022), requesting Bosnia and Herzegovina to implement a ban on further development of hydropower plants in all candidate Emerald sites in the Neretva River basin we would like to update you that the construction of the **Upper Horizons hydropower scheme** is still ongoing. Additionally, the RS Government identified HPP Dabar (160 MW), located in Dabarsko karst field Emerald site (BA0000024), as one of the **priority project** for public investments. The construction permits related to the HPP Dabar remain undisclosed to the complainants due to pending requests.
- 6. Finally, we are glad to update you that **findings from 2nd NSW** (Neretva Science Week), held in 2022 in Ulog village, Nevesinjsko polje and the nearby area, are now officially published here.
- 7. Additionally, the **Preliminary Report from 3rd NSW**, held during May/June 2023, can be found <u>here</u>.
- 8. Any further updates are expected on next **Inter-entity Body for Environmental Protection**, which should be held in Sarajevo in late February. The time and date of the meeting are still expected, as well as the invitation for the complainants.

Sincerely, President

Tihomir Dakić

On behalf of the other Complainants:
Aarhus Center in Bosnia and Herzegovina
EuroNatur
RiverWatch
CEE Bankwatch Network

ClientEarth