

After many years of problems caused by granting concessions for the construction of SHPPs on the relation locals-investors-government, Prime Minister Duško Marković announced in October 2019 that he would start negotiations on the termination of contracts in several cities. Although the Government of Montenegro has so far terminated 12 concession agreements for the construction of small hydropower plants (SHPPs), problems between investors and locals who oppose construction on rivers and the Government still exist, as is the case in Bare Kraljske.

The most basic human right, the right to life, is endangered here because water is the source of life, Milovan Labović, president of the Local Community (MZ) of Bare Kraljske near Kolašin, told Radio Free Europe, where locals have been protesting for days over the construction of small hydropower plants on three rural rivers springs from the nature park “Komovi”.

“There was no public debate, we will defend the rivers Crnja, Ljubaštica and Čestogaz until the end. I believe that a meeting must take place, that the Government and line ministries that issued these concessions, the investor will have to appear and the interests of the people of this area will be discussed. “, says Labović and wonders what happened to the announcement of the Government that it will reconsider the policy of granting concessions for the construction of small hydro power plants.

The Government of Montenegro claims that the concessionaire, in this particular case, adheres to the contract and that the concession was issued in 2008 and the building permits in 2009. In the answers from the Ministry of Economy to the RFE inquiry regarding the protest of the locals in Bare Kraljske, they state that their further moves will depend on the degree of agreement between the investors and the locals.

“The SHPP Crnja, Ljubaštica and Crni potok projects had a high degree of local support and were widely recognized as the development potential of the area. In that sense, the Ministry instructed the concessionaire to re-consult with local community representatives in accordance with the contract, inform the grantor about the degree of agreement, on which further action will depend “, it is stated in the answers of the Ministry of Economy, reminding that the Government has not issued a concession for the construction of small hydro power plants for three years.

The company Dekar, which is an investor and concessionaire in Bare Kraljske, claims that they are working in accordance with the law and the issued permits, and that the deadline for the completion of works on the facilities expires at the end of 2021. The director of the company, Momčilo Miranović, specified that they stopped the construction of the SHPP Crni Potok on their own initiative until the locals receive answers from the competent institutions

on the reports of the non-governmental sector and citizens.

“In this way, we express understanding for the dissatisfaction of the citizens, primarily due to the multitude of misinformation that has brought unrest to the long-established good relations with the local population, to the mutual satisfaction and benefit,” said Miranović.

How did the turn in government policy come about?

The turning point in the previous government’s policy of granting concessions for the construction of SHPPs came after persistent protests by the residents of Šavnik who defended the Bukovica River from pipes.

When asked how many contracts for the construction of small hydropower plants have been terminated since Prime Minister Duško Marković announced that certain concession agreements would be reviewed, the Ministry of Economy answered:

“Contracts for the construction of 12 SHPPs have been terminated, the process of terminating contracts for the construction of nine is underway, while energy permits for the construction of 14 small hydropower plants have expired. So, 41 percent of the total number of SHPPs, ie 35 SHPPs Five more concession agreements for the construction of nine SHPPs are being terminated, and this approach will be applied in all cases where it is evident that a specific project is not able to meet the objectives of the program, which primarily include local community development and green energy production. ” it is stated in the answers from the Ministry of Economy.

Fight for Liještanica

The residents of the village of Liješka near Bijelo Polje, in the north of Montenegro, are also fighting against the construction of SHPPs. For three years, they have been trying to preserve the river Lještanica, from which they are supplied with drinking water.

“It is a precedent; no one has yet made a water intake at the very source of the river. The water simply gives life to the local population. Some privileged investors should put five kilometres into the pipe at the very source of the river, so the whole should go in the pipe. The construction will also destroy the tourist potential of the river, which has one of the most beautiful waterfalls and is visited by about 30 tourists every day, “said Danilo Mradak, a resident of Liješka.

Nataša Kovačević from the NGO Green Home said that due to the construction of SHPPs on the river Lještanica, they are conducting an administrative procedure against the decision of the Environmental Protection Agency, which issued an environmental permit for construction to delay the start of SHPP construction.

“None of these small hydropower plants in Montenegro has contributed to local development, and since we all subsidize the development of such an energy source, in fact we as citizens subsidized the destruction of the environment and the eviction of the local population,” said Nataša Kovačević from the NGO Green Home.

How much did SHPPs cost citizens?

According to data from November 2019 of the Montenegrin electricity market operator (COTEE), which buys electricity from small hydropower plants, Montenegrin citizens paid almost 32 million euros through subsidies for electricity produced in small hydropower plants and wind farms Krnovo.

The business of building small hydropower plants in Montenegro, in addition to the media, attracts the attention of domestic and international organizations. The Prague-based organization Bankwatch announced in September 2019 that “people close to Montenegrin President Milo Djukanović or his party, the ruling Democratic Party of Socialists (DPS), have benefited from the construction of small hydropower plants.”

Balkanwatch, an organization that brings together members and partners from 14 countries in Central and Southeast Europe, in addition to a detailed report on who are the privileged owners of SHPPs built in Montenegro, stated how much the state paid to these companies in the period from 2014 to 2018. the name of the incentive for electricity generation.

According to Balkanwatch, “in general, the main profit for SHPP owners comes from high state subsidies, which until the summer of 2019 fell directly on citizens, who included in the monthly electricity bills the costs of ‘encouraging the development of renewable energy sources’. Nataša Kovačević announces that before the Constitutional Court, Green Home will ask for an interpretation of whether the construction of small hydroelectric power plants in Montenegro is of public interest, as prescribed by the Energy Law.

The World Nature Conservation Organization WWF Adria and the Montenegrin NGO Eco Team call on the Montenegrin government to abolish the harmful system of incentives for electricity production because it has shown through socio-economic studies that the system is socio-economically unacceptable because it causes direct financial damage to society.

RSE Milija Čabarkapa, national coordinator of WWF Adria.

“If this system did not exist, because it directly affects investors and only they benefit from it, no investor would have any more interest in entering the business with small hydropower plants,” Čabarkapa believes.

The Government of Montenegro has so far signed concession agreements for the construction of 85 SHPPs. Currently, 24 SHPPs are in operation, 18 SHPPs are under

construction, while planning documentation is being prepared for two SHPPs, and six SHPPs are in the process of drafting project documentation.

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