

In the early 1970s, former Yugoslavia abandoned the Buk Bijela hydropower project on the Drina river as there was no agreement between its three republics. Today, Bosnia and Herzegovina, Serbia and Montenegro are separate, independent states, and disagreements on the issue remain half a century later. Yet, the stone foundation for the construction of a hydropower plant was laid down earlier this year.

With Serbia, Republika Srpska (the Serb-dominated part of Bosnia), Montenegro and state institutions of Bosnia firmly against, the asymmetric solution is on the table, and it undoubtedly leads to a plethora of problems.

Namely, Serbia and Republika Srpska had struck a deal according to which Serbia will buy 51 percent of shares in Republika Srpska's *HES Gornja Drina* and thus obtain the majority ownership over the company that operates within the public power utility Elektroprivreda Republike Srpske (ERS).

Now, this joint venture plans to invest some 220 million euros to build Buk Bijela in five years, along with two more HPPs over the Drina River – Foča and Paunci – which would amount to some 520 million euros in total.

“What they all have in common is that they would destroy the most important remaining habitat for the globally endangered Danube Salmon (Hucho Hucho) and wipe out the area's burgeoning outdoor sports tourism,” Pippa Gallop, Southeast Europe energy advisor, wrote in her [blog](#) on the day of foundation stone ceremony.

## LESS PROS, MORE CONS

On multiple levels, this story shows that there is no hope for the rule of law as long as business is conducted outside the scope of the (already damaged) procedures. Firstly, there is no cross-border consensus, although all three countries are parties to the [Espoo and Aarhus Convention](#).

Secondly, there is no internal agreement in Bosnia, where the project is about to be implemented. Thirdly, and this applies to all the countries involved, environmentalists have been vigorously campaigning against damming the rivers. According to [riverwatch.eu](#), Balkan peninsula rivers have some 1,500 plants and are severely threatened by over 3,400 planned dams, which would lead to [irreversible devastation of biodiversity](#).

Bosnia opposes saying no one except the state can make decisions over state property, such as rivers on international borders. On the other hand, its entity Republika Srpska claims that the energy is at its competence. At the same time, it made a kind of legislative manoeuvre to enable the state of Serbia to act as a foreign direct investor. Bosnia also complained because the construction had started [before the constitutional court](#)

[decided](#) whether the hierarchy had been violated.

Montenegro, on its part, [insists](#) on its neighbours' obligation to regulate the application of environmental impact assessment in the transboundary context. It is not against the project in general, but it wants to make sure that there are no ecological risks for the ecosystem of the Tara River canyon within [the Durmitor National Park](#), which is listed as a natural World Heritage Site by UNESCO.

UNESCO's Center for Cultural Heritage director Mechtild Rössler [called upon](#) Bosnian authorities to respect the international convention "and not to take any measures that could endanger the cultural or natural heritage in the states signatories to the convention."

Meanwhile, environmental defenders have been fighting on two fronts through activism and legal action. They're attempting to stop the construction of what would be the largest energy project since the former Yugoslavia broke up in the early nineties.

They certainly support the energy sector's transition towards renewable sources, but not at any cost. They brought the Republika Srpska government to court and proved that the project has no adequate environmental permit. However, the government simply issued a new one, based on findings that the previous one was given in 2013. It acts like nothing could have changed over a decade, and the document is only one more formality that has to be provided.

## ECONOMIC COLONIALISM

Back in 2012, this project was arranged with the German investor RWE. Soon thereafter, however, the daughter company RWE Innogy terminated [the contract](#), claiming that the Republika Srpska government and ERS haven't fulfilled the conditions on time.

Five years later, the government signed a memorandum with China's State Aero-technological International Engineering Corporation (AVIC-ENG), with the intention that Chinese state banks finance the project.

China is already the largest foreign investor after a massive increase in economic activity in recent years. With numerous projects under its belt, mainly in road infrastructure, this would be another [extension of China's financial reach](#) further into the region.

Together with other arrangements from the East, with entities from countries such as Russia and Turkey, the influence of the West diminishes in the Western Balkans - the place where the *Go green* initiative could quickly become the *go profitable even if illegal* enterprise.

Source: Fair Planet