

Serbian mine Stolice was an antimony mine that after production height in the 1980s was shut down in 1990 for financial reasons and it was also hit particularly hard during big floods in 2014.

In 2006, the state-owned Stolice mine was part of a large wave of privatizations and sold to Farmakom MB, a Serbian junior mining company, part of a larger corporation that also produced car batteries, and dairy, pharmaceutical and agricultural products. The company rapidly accumulated 13 mines in Serbia and Macedonia and went on to develop a track record of dangerous labor, health & safety and environmental practices. Farmakom MB's car battery recycling smelting operation in nearby Zajača caused health problems not only in workers but also elevated lead levels in 84% of children tested from surrounding communities. The company claimed at the time to be "a leader of the green economy in Serbia."

In 2011, Farmakom M.B. received a large loan from the International Finance Corporation, which secured further investment from international and domestic banks. But by September of 2014, Farmakom MB had gone bankrupt and in November of the same year the owner of the company, Miroslav Bogićević, was arrested for bank fraud. Bogićević had been colluding with a lender from a state-run bank to receive 15 million Euros through fraudulent loan agreements. When the scandal broke, the Serbian Prime Minister announced that Bogićević, and others, had been offering up mine waste as collateral for those loans.

When the 2014 rains hit, the Stolice tailings dams contained an estimated 1.2 million tons of mine waste. The heavy rains triggered a landslide that damaged parts of the drainage system and rain accumulated inside one of the tailings dams, pushing it beyond capacity. A site review carried out by the Serbian water management agency, Srbijavode, showed the, "existing tailings dumps do not have an adequate level of protection. They are not protected from external waters, which drain uncontrollably and wash away tailings". One hundred thousand cubic meters of tailings were released into the Kostajnik River, creating a wave downstream that was 50 to 75 m wide and left everything in its path covered in a layer of toxic mud 5-10 cm thick. After another storm on July 17, tailings again spilled out of the damaged dam and into the Kostajnik.

The dam failure at the Stolice mine and the mismanagement of the smelter waste in Zajača are examples of the dangerous nature of mine waste storage across the globe. Even though the Stolice mine was not operating, the tailings dams were a ticking time bomb waiting to go off. There is no comprehensive inventory of the thousands of closed and abandoned tailings dams worldwide, meaning there is no data on exactly how many there are and where they are located. Some estimates put active, closed and abandoned tailings facilities

between 20,000 and 30,000. Independent international oversight of tailings dams is necessary in order to identify closed and abandoned dams and assess their potential risk of failure.

The Stolice dam failure shows how mining companies are unwilling and often unable to self-regulate to ensure the safety of their tailings dams. Farmakom MB inherited a dam that was susceptible to heavy rains and, as a junior mining company, didn't have the financial resources, willingness or expertise to make necessary improvements. Its precarious financial situation and shady corporate leadership likely played a role in the eventual tailings dam disaster. And while the Stolice dam failure is certainly a case of negligence on the part of the mining company, it also highlights a network of other negligent actors, including the government, the domestic and international banks providing loans, and international institutions promoting privatization.

Source: [earthworks.org](http://earthworks.org)