

**Bor, in north-eastern Serbia, is one of the country's most polluted cities. While local people protest their toxic air and water, Chinese mining company Zijin, which runs the city's large-scale copper mining and smelting complex, is expanding its operations without permits, local consent or transparency. Zijin is one of the many highly polluting Chinese investments undertaken without the necessary environmental and social due diligence.**

Since 2018, when the new owner of Bor smelter complex, the Chinese-owned Serbia Zijin Copper started its operations, the lives of the citizens in at least five villages in this area of Serbia have been upended. In an open letter this March the villagers of Ostrelj state that the two companies, Serbia Zijin Bor and Zijin Mining, are expanding their activities threatening their health, private property, and livelihood.

The villagers are calling on the authorities to stop unauthorized construction and find a solution for all the residents who are trapped between the old and new mines and hills of tailings. When winds blow, the Ostrelj village is coated in toxic dust.

The villagers claim that the authorities have not developed a master spatial plan that would describe the future of their village and delineate the mining complex on their territory and describe the environmental impact and the purpose of facilities that Chinese had been building without permits. An environmental impact assessment for just one facility was put out for public consultations after it had already been built.

According to the villagers and research conducted by the Serbian Renewables and Environmental Regulatory Institute (RERI), the Chinese investors have been getting away with construction conducted without legally required documents and permits.

Meanwhile, Zijin's mining operations are extending its reach on their territory while the local community representatives say that they are kept in the dark by the local as well as national authorities.

The villagers therefore demand a moratorium on further mining activities before the authorities have created a master spatial plan for relocation of their and six other affected villages and called on Zijin to halt all new works on their territory to prevent their further poisoning by toxic dust.

"The Serbian state should stop all the mining activities in Bor and all the constructions that have been implemented without a permit. We also need adequate resettlement plans for the villagers before the work can continue", said Zvezdan Kalmar, director of the Serbian environmental organizations the Centre for Ecology and Sustainable Development (CEKOR).

**The gradual** weakening of legal requirements for Chinese investments in Serbia is alarming.

A legal analysis by RERI and Just Finance International shows that China's influence had an overall negative impact on the legal system in the country. Its business activities increased the number of loopholes in the law, which made exceptions for highly polluting large-scale infrastructure investments, predominantly from Chinese enterprises or financed by Chinese state loans.

The problems have also been addressed in a resolution from the European Parliament 2021. The European Parliament called on Serbia to strengthen its legal compliance standards for Chinese business activities and sent a warning to Belgrade that its behavior is jeopardizing the country's European accession process.

**For several years now**, both the Serbian government and the Chinese company have ignored the legal irregularities of the Zijin copper mining and smelter projects. However, some attempts have been made to address the problems in Bor.

For example, in April 2021, Serbian authorities suspended construction work at the Jama mine, core to Bor's operations, after the company failed to comply with environmental standards. In April 2022, after thousands gathered to protest the project in Belgrade, Serbian authorities halted the operations of Zijin citing environmental pollution. But the attempts did not satisfy the protesting citizens and are regarded as temporary solutions without dealing with the fundamental problem of the operations.

The affected villagers call the government for transparency. They claim that the monitoring of ongoing mining and production activities that could put their lives in peril remain to be ignored by both the Serbian authority and the Chinese who operate Bor copper mine.

One major uncertainty is what impact the Zijin operations will have on the Krivelj river. The river is of utmost importance for the livelihood of the farming community and the villagers' fears that Zijin is actively working to change the course of the river since it is blocking their way for a new tailing dam.

The waste from Serbia Zijin Copper operations is deposited on an old dam under which was built a tunnel that secures the Krivelj river's flow to Ostrelj village. In the end of 2021, the drainage tunnel showed cracks and local media report that toxic substances have leaked into the river. This weakness in critical structure have been identified more than a decade ago, but the authorities failed to tackle them.

In 2007 Serbia started negotiations with the World Bank to build a new drainage system for wastewater to clean that dam. But the country never took to the loan and the project was shelved by 2015. Now, with Zijin expanding its operations more than two times compared with the past and the problem with the dam is still not solved.

The dam holding the toxic waste represent environmental hazard that could not only

endanger villages around Bor such as Ostrelj, but also regional capital Zajecar and the town of Negotin. The spill could roll further downstream into the Timok river and all the way to Danube, causing transboundary pollution in Romania and Bulgaria.

So far, the Serbian government, which owns a stake in one of the two locally owned companies has turned a blind eye to various violations of the procedures and Zijin is not making any serious attempts to mediate with the citizens in Bor. Now the pollution is reaching new records in Bor. The expansion of smelter activities has led to an average annual increase of carcinogenic arsenic in air for 90 percent over the threshold, according to Serbian experts.

The open letter from the villagers in the Zijin-affected communities Ostrelj was addressed to all the major stakeholders in Serbia including the president Aleksandar Vucic. The villagers feel they have been kept in the dark from the decisions for the expansion of Zijin's mining operations, fearing the impacts, as well as how they feel as "foreigners in their own country".

Zijin's operations in Serbia are among the biggest copper mining operations in Europe and the copper is the number one export product from Serbia to China. Yet, Serbia is only getting 5 percent royalties from Zijin's revenues which is one of the lowest royalties for mining operations in Europe.

Zvezdan Kalmar believe that the lack of royalties is a problem for Serbia.

"Without this money we won't be able to regulate and control the negative impact of the mining activities at all", he said, Just Finance International writes.