

Slovene companies' involvement in the Balkans

Background of the report

Slovene companies' involvement in the energy sector projects in the Western Balkan region is not an uncommon event. Often perceived as 'progressive' companies by the countries in the Western Balkans, they are welcome to promote and implement obsolete solutions, such as coal mining improvements, which, although they are improvements, are basically an obsolete part of the energy sector.

This is why the objective of this report is to analyse involvement and roles of Slovene companies in projects in the Balkans and propose ways to eliminate their involvement. The report summarises the state of affairs and proposes a strategy to target these companies.

Data, compiled in this report comes either from personal communication with coal campaigners in Western Balkan countries or from information available online (articles, reports).

The key actors from Slovenia

Analysis shows that two major Slovenian actors are present in the Balkan energy projects. The first is Premogovnik Velenje (Velenje Mine), which is 'a technologically advanced company with lignite mining as its primary activity' (PM, 2015).

The other one is Center for International Cooperation and Development¹, an independent non-profit research and advisory organisation in the field of international economic relations, established by the Republic of Slovenia and the SID - The Slovene Export and Development Bank. It provides a variety of services and information for Slovene companies, required for identifying the most prospective markets and for developing strategies and operational programmes when entering emerging markets. It also operates bilateral official development assistance by the Republic of Slovenia, through which several coal mining improvement operations in Bosnia and Macedonia were co-financed.

Overview of the identified projects

The projects are organized by the country of implementation for an easier overview.

¹ CMSR 2015 http://www.cmsr.si/en/About_us/,
http://www.cmsr.si/en/CMSR_operations/International_Development_Cooperation/

Bosnia and Herzegovina

| Project | Company(ies) involved | Role | More info |
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| Banovići Coal Mine (2015) | Premogovnik Velenje d.o.o. RMU Banovići | Technological improvements and know-how transfer | <p>During their visit to the Bosnian Banovići coal mine (RMU Banovići) in late February 2015, the representatives of Premogovnik Velenje (Velenje Coal Mine) presented the possibilities of a mutual co-operation to the mine's management. The Velenje coal mine offered to provide comprehensive solutions to the technological renovation of the preparative and excavation sites using modern equipment with the capacity that corresponds to the mine's specific needs. This equipment, which the two companies would modify together, could then be used in RMU Banovići, as well as in most of the other coal mines in Bosnia and Herzegovina and elsewhere in the region. Premogovnik Velenje would therefore provide the expertise, along with new mining technologies, which could then be used in the coal mining industry of Bosnia and Herzegovina, whereas the Banovići coal mine would provide the necessary workforce, machinery, facilities, etc.</p> <p>Source: http://www.energetika.net/eu/novice/coal/premogovnik-velenje-bi-sodeloval-z-bosanskim-rudnikom-banovi</p> |
| Lešljani Coal Mine (2015) | Premogovnik Velenje d.o.o. Privredni preporod, Banja Luka | Exploration of possibility to open a mine | <p>Premogovnik Velenje (Velenje Coal Mine) and Privredni preporod, a company based in Banja Luka, Republika Srpska, signed an agreement for preliminary design of a brown coal mine in Lješljani near Novi Grad. Premogovnik Velenje will make a preliminary design of the Lješljani brown coal mine. Based on this design, a decision will be taken on infrastructure solutions that must be made in the process of opening the mine. In addition to the design, experts of the Velenje coal mine will carry out a technical and economic assessment of coal and bentonite mining. The process to prepare the documents is expected to take five months, and will provide the ground for a decision on the opening of the mine, i.e. making the detailed design. Premogovnik Velenje is also looking for the best coal and bentonite mining and separation technology, in order to be able to sell both. The preliminary design is now in its implementation stage and should be finished in May 2015. The company said that any decisions regarding the future activities of the mine are up to the investor, whereas this "conceptual design we've developed will aid the investor in reaching his decisions".</p> <p>Sources: http://www.energetika.net/eu/novice/coal/premogovnik-velenje-bi-sodeloval-z-bosanskim-rudnikom-banovi http://www.energetika.net/eu/novice/coal/premogovnik-velenje-krepi-svojo-prisotnost-na-balkanu_2</p> |
| Kakanj Coal Mine (April – June 2014) | TEVEL, Teve varnost elektronika, d.o.o., Kisovec, Slovenija Brown coal mine | Modernisation and automation | <p>The Kakanj Coal Mine, based in Bosnia and Herzegovina, and the Centre for International Cooperation and Development of the Republic of Slovenia (CMRS) have signed an agreement, on the initiative of the Chamber of Commerce and Industry of the Federation of Bosnia and Herzegovina, on a donation to enable the implementation of Phase II of the project "Modernisation of the exploitation of mineral resources – automation of the technological process and introduction of a remote control system in the Haljinići mine". With the donation of the Republic of Slovenia automation of the technological process and the remote supervision system in the coal mine Haljinići have been introduced. Within the drainage</p> |

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| | Kakanj d.o.o. | | <p>system automatic/manual operation of the main pump from the control centre has been implemented. Video surveillance system has been expanded by 4 video cameras, as well as the software of the existing information system. By introducing the new system a safe and continuous production is enabled, operating conditions are improved, which enables further development of the mine, city of Kakanj and the region. "This is the third Centre's donation for the automation of the coal mine. Five years ago, our Slovenian friends first financed the delivery and installation of an automatic methanometric device, and in 2011 kindly supported Phase I of the transport and drainage automation," Jašarspahić said.</p> <p>Project Value/ RS Cofinancing: 241.348 EUR / 72.404 EUR</p> <p>Sources: http://www.cmsr.si/Dejavnosti/Mednarodno_razvojno_sodelovanje/Projekti/docs/2014-3.pdf http://www.energetika.net/eu/novice/coal/kakanj-coal-mine-cooperates-with-slovenian-partners</p> |
| Kakanj Coal Mine (July 2010 – December 2011) | TEVEL, Teve varnost elektronika, d.o.o., Kisovec, Slovenija Brown coal mine Kakanj d.o.o. | Modernisation and automation | <p>Modernisation of Mineral Resources Exploitation – Automation of the Technological Process and Introduction of the Remote Supervision System in The Coal Mine Haljinići</p> <p>Within the project a control information and management system was introduced, which enables a continuous and automatic tracking of all technical - technological parameters, video surveillance of all relevant technological cycles and reduces the exposure of workers to the extreme microclimatic conditions. The construction of such system increases the safety at work. Because of the increased safety, fewer accidents are expected at the workplace. The organization of work, technical services and business structures has improved. By introducing the new system a safe and continuous production is enabled, operating conditions are improved, which enables further development of the mine, city of Kakanj and the region.</p> <p>Project Value/ RS Cofinancing: 404.000 EUR / 121.200 EUR</p> <p>Source: http://www.cmsr.si/Dejavnosti/Mednarodno_razvojno_sodelovanje/Projekti/docs/2010-14.pdf</p> |
| Brown coal mine Breza d.o.o. (September 2010 – December 2011) | TEVEL, Teve varnost elektronika, d.o.o., Kisovec, Slovenija Brown coal mine Breza d.o.o. | Modernisation | <p>Modernization of the Mineral Resources Exploitation – Automatic Methane-metric Exchange in Breza Coal Mine. The main objective of the project was to improve working and safety conditions of the miners by purchasing and installing the central automated methanometer system for managing parameters of ventilation and gas condition in the Breza mine. Lignite mine Breza is the essential factor in economic development of the region. The new system allows a continuous and safe production. The project significantly contributed to ensuring safety at work, reducing mining accidents and enabling uninterrupted work of the miners. The investment improved business conditions and enabled further development of the mine and the region</p> <p>Project Value/ RS Cofinancing: 429.270 EUR / 128.781 EUR</p> <p>Source: http://www.cmsr.si/Dejavnosti/Mednarodno_razvojno_sodelovanje/Projekti/docs/2010-13.pdf</p> |
| Brown coal mine Kakanj d.o.o. (March – July 2009) | TEVEL, Teve varnost elektronika, d.o.o., Kisovec, Slovenija Brown coal mine | Automation | <p>Delivery and Installation of the Automatic Methane-metric Exchange and Preparatory Work for Installation of the Automatic Methane-metric Exchange in Kakanj Coal Mine</p> <p>The main objective of the project was to improve the working and safety conditions of the miners by purchasing and installing the central automated methanometer system for managing parameters of ventilation and gas conditions in the Kakanj mine. The automated central methanometer system enables continuous and automatic tracking of ventilation and gas parameters in the mine and simultaneously allows switching off the power supply in the endangered parts of the mine. In this way, further methane</p> |

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| | Kakanj d.o.o. | | explosions with catastrophic consequences will be prevented. Project Value/ RS Cofinancing: 690.344 EUR / 220.000 EUR Source: http://www.cmsr.si/Dejavnosti/Mednarodno_razvojno_sodelovanje/Projekti/docs/2009-6.pdf |
| Mamor Coal Mine (2008) | Premogovnik Velenje d.o.o. Rudnici Kreka | Mechanisation | The Mramor mine of the company Rudnici Kreka was where Premogovnik Velenje worked on re-implementing mechanized mining in the Kreka mines: servicing and assisting in the overhaul of the mining equipment, supplying spare parts for hydraulic supports and mine combine, and supplying hydraulic supports to progress along the seams. Cooperation on Mramor project was a case of good transfer of knowledge and technology between the miners from Velenje and Tuzla as well as other experts, in terms of equipment and startup of the new mining operations in the Mramor pit. Sources: http://www.energetika.net/eu/novice/coal/za-premogovnik-velenje-se-odpirajo-nove-poslovne-priloznosti https://www.sta.si/1323707/v-rudniku-mramor-ob-pomoci-premogovnika-velenje-zagnali-mehaniziran-odkop |
| Ljuta Hydro Power Plants (2005) | Turbo inštitut | Concession for building HPPs | "Turbo inštitut" got concession to construct 31 small HPP. The concession is to last 30 years, after that the HPPs will belong to municipality Konjic. In process of issuing environmental permit, they changed the project and last 3 mini HPP change to High Dams HPP with 32 meter high dams and accumulation in 1,5 km long. In the heart of future National park, in one of best preserved biodiversity area, on the river Ljuta. There is also one more Slovenian company, which probably use domestic company as a cover, and they just come occasionally and checking a works. It's a new discovered problem, and we still didn't finish a research on this. By building the dam they destroyed next 3 km of river Vrbas by digging in the river bottom, and building of a concrete pipeline. Source: http://www.delo.si/clanek/18560?search=Ali%20%C5%BDerdin http://www.finance.si/138915/Slovinci-bodo-gradili-31-hidroelektrarn-v-BiH?cookietime=1426684987 personal communication |
| Small HPP Medna | Interenergo | Construction | Small HPP "Medna" on river Sana. One of Interenergo subsidies, LSB elektrane, will construct this HPP, against which NGOs are campaigning already for a long time. Source: http://www.interenergo.com/content/interenergo-group-393_ENG_HTML.html personal communication |

Montenegro

| Project | Company(ies) involved | Role | More info |
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| TPP Plevlje II | ESOTECH, d.d. CEE, d.o.o. Premogovnik | Project documentation and feasibility | Slovene consortium elaborated Project documentation for TPP Plevlje II. They did project idea, feasibility study and EIA. |

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| | Velenje, d.d. ERICo Velenje, d.o.o. | study, EIA | |
| Berane Coal Mine (2014) | Premogovnik Velenje, d.o.o. Metalfer | Re-opening a mine | Premogovnik Velenje is working with Serbian company Metalfer to reopen the Berane coal mine in Montenegro (as contractor for mining operations). Source: http://www.energetika.net/eu/novice/coal/premogovnik-velenje-krepi-svojo-prisotnost-na-balkanu_2 |

FYROM

| Project | Company(ies) involved | Role | More info |
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| Mariovo coal mine (2010-2013) | Premogovniki Velenje d.o.o. Elem Macedonian Power Plants | Feasibility and design study for opening a mine | Main Mining Design for Opening, Development and Exploitation of Coal from the Mariovo Deposit with Underground Technology. According to the contract, the Velenje mine has to implement the entire technical documentation and prepare everything that is necessary for the beginning of production in this mine. The project consists of the elaboration plan, which contains a technical description of technological and technical solutions for the excavation of coal in Mariovo (opening and preparing the excavation site Mariovo, technical and technological solutions for preparing and excavation of the coal pillars in the mine site Mariovo), the plan of outer facilities, aggregated indicators for the entire technological process, the dynamics of the realization of the project activities and the technical - economical evaluation of the investments. Guaranteed domestic electricity production has a positive impact on the development of the Macedonian economy and industry as it decreases the import of energy, which positively influences the trade balance. The construction and equipment of the new mine will open up new opportunities for foreign suppliers. The company Velenje Coal Mine established a subsidiary in Macedonia in 2012. Project Value/ RS Cofinancing: 696.000 EUR / 190.000 EUR Source: http://www.cmsr.si/Dejavnosti/Mednarodno_razvojno_sodelovanje/Projekti/docs/2010-4.pdf http://www.energetika.net/eu/novice/coal/premogovniku-velenje-se-obetajo-novi-posli-v-bih http://www.energetika.net/eu/novice/coal/premogovnik-velenje-prodira-na-makedonski-energetski-trg http://www.energetika.net/eu/novice/coal/premogovnik-velenje-projektira-makedonske-rudnike_2 |
| Živojno coal mine | Premogovniki Velenje d.o.o. Elem Macedonian Power Plants | Discussions ongoing | In 2013, after a successful post-project review for the Mariovo coal mine documentation, talks on further cooperation between representatives of Velenje Coal Mining and ELEM took place – above all on the possibility of designing a project for opening another Macedonian mine. ELEM also discussed opportunities for further cooperation, particularly the design for another coal mine in Živojno, Macedonia. According to the company, the credentials the Velenje Coal Mine has after this project give them a good opportunity to participate across the Macedonian market – even with other services provided by subsidiaries of the group. Source: |

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| | | | http://www.energetika.net/eu/novice/coal/premogovnik-velenje-sodeluje-z-makedonijo_2 http://www.energetika.net/eu/novice/coal/premogovnik-velenje-projektira-makedonske-rudnike_2 |
| Education and training | Premogovnik Velenje d.o.o. Macedonian Power Plants (ELEM) Faculty of Natural and Technical Sciences in Štip | Education and training | Macedonian Power Plants (ELEM) and Faculty of Natural and Technical Sciences in Štip and Velenje signed an agreement on cooperation in the field of education and training, in which ELEM expresses its interest that the Velenje Coal Mine educates and trains an adequate number of specialized professionals in the fields of mining, electricity- and mechanical engineering for the needs of underground coal mining. Source: http://www.energetika.net/eu/novice/coal/premogovnik-velenje-sodeluje-z-makedonijo_2 |

Turkey

| Project | Company(ies) involved | Role | More info |
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| Soma mining | Premogovnik Velenje d.o.o. SOMA KÖMÜR İŞLETMELERİ A.Ş. | Modernisation, technology and know-how transfer | Coal Mine Velenje concluded its first deal in Turkey in 2012 for the supply of hydraulic shield supports for underground mining, the company released. Coal Mine Velenje signed a contract with Turkish mine SOMA KÖMÜR İŞLETMELERİ A.Ş. to supply 80 sets of DBT hydraulic shield supports. The Turkish partner wishes to modernise its production by means of advanced and state-of-the art equipment. Supply deadline for the first 50 sets of supports is 30 September 2012, while the remaining 30 sets are to be supplied by 31 January 2013. Moreover, Coal Mine Velenje submitted end last week a bid for two excavations including the necessary infrastructure, equipment, training and integration, to the biggest call for tenders that has been published in Turkey in the mining industry this year. Coal Mine Velenje will act as a principal in the project and will manage two 180-metre stopes in collaboration with foreign partners – equipment manufacturers from Poland, Slovakia, and Germany. Source: http://www.energetika.net/eu/novice/coal/premogovnik-velenje-vstopil-se-na-turski-trg_2 |