Subject: Response to the questions regarding to the extension of the open-pit mine at Drmno posed by the Implementation Committee under the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 1991) and its Protocol on Strategic Environmental Assessment (Kyiv, 2003), based on the analysis of the information received from the non-governmental organization ClientEarth dated 18 June 2018.

Information and clarification on the following issues:

1. A summary description of the project, clarifying is phases, components and timelines for implementation;

- The distance from the open-pit mine to the Romanian border (air distance) is 15.325 km (see the enclosed map of the area).
- The plan is to increase production in OCM Drmno from 9 to 12 million tons of coal a year, within the limits of the existing exploitation field, all for the purposes of the operation of the new Block B3 in TPP Kostolac B. The production increase in OCM Drmno is included in the Feasibility Study with the Preliminary Project Design for the provision of the required quantities of coal for the operation of the existing thermal power plants in Thermal Power Plants and Mines (TE-KO) Kostolac and new Block B3 (350 MW).

- The environmental impact of coal mining in OCM Drmno was analysed in the Study on the assessment of the environmental impact of coal exploitation open cast mine "Drmno" in Kostolac, for the capacity of nine million tons of coal a year, by the processing facility, i.e. the Mining and Geology Faculty in Belgrade, in 2009. The competent authority gave consent to the Study with Decision No. 353-02-0360/2008-02 dated 10 April 2009.

- A procedure for deciding on the need for impact assessment was conducted for the Preliminary Project Design for the provision of the required coal quantities for the operation of the existing thermal power plants in TE TO Kostolac and new Block B3 (350 MW) in OCM Drmno, from 9 to 12 million tons a year. The Decision of the competent authority No. 353-02-901/2013-05 of 26 July 2013 sets out that there is no need to develop the Study on the assessment of the environmental impact. The Decision requires implementation of the environmental protection measures defined in the Study on the assessment of the environmental impact of coal exploitation open cast mine Drmno in the capacity of 9 million tons a year.

- The environmental protection measures defined in the Study include:
  - Measures for the prevention, reduction and elimination of adverse environmental effects envisaged by the Law (air protection, noise protection, water protection, fire protection)
  - Measures to be taken in case of an accident
  - Environmental protection technical solutions (recycling, treatment and disposal of waste substances, reclamation, remediation, etc.)

In addition to the envisaged measures, the monitoring system was also defined for the area of OCM Drmno. The system ensures reliable assessment of the size and intensity of pollution and possible damage, as well as timely taking of measures for the prevention of harmful pollution, or for successful remediation of detected and recorded pollution.

(b) The state of play of the open-pit mine, including licensing and construction procedures, as well as the state of the current mining activity, in particular:

(i) The exact degree of increase in the capacity of the open-pit mine according to the practice and as licensed:
- From 9 to 12 million tons a year, but we want to emphasize that the current project capacity of OCM "Drmno" is $9 \times 10^6$ t/year, and project TPP "Kostolac B" plans capacity increase to $12 \times 10^6$ t/year.
(ii) Whether the project with its total extended capacity, including its cumulative effects, has ever been subject to an environmental impact assessment procedure according to the Serbian environmental impact assessment act and whether a screening procedure has been carried out in this regard:

- Yes

- The environmental impact of coal mining in OCM Drmno was analysed in the Study or. the assessment of the environmental impact of coal exploitation open cast mine "Drmno" in Kostolac for the capacity of nine million tons of coal a year, by the processing facility, i.e. the Mining and Geology Faculty in Belgrade, in 2009. The competent authority gave consent to the Study with Decision No. 353-02-0360/2008-02 dated 10 April 2009.

- A procedure for deciding on the need for impact assessment was conducted for the Preliminary Project Design for the provision of the required coal quantities for the operation of the existing thermal power plants in TES TO Kostolac and new Block B3 (350 MW) in OCM Drmno, from 9 to 12 million tons a year. The Decision of the competent authority No. 353-02-9C-2013-05 of 26 July 2013 sets out that there is no need to develop the Study on the assessment of the environmental impact.

(c) A description of the possible environmental impacts of the proposed activity on the Romanian territory, near to the Serbian border:

- The proposed activity is not introducing innovations in terms of excavation technology and types of the main excavation, transport and landfill machinery, or innovations in the auxiliary machinery and other supporting mining operations. There are no new identified sources of pollution, except for those analysed in the Study on the assessment of the environmental impact of coal exploitation open cast mine “Drmno” in Kostolac, for the capacity of nine million tons of coal a year, and where environmental measures are defined.

- The environmental protection measures defined in the Study include:

  ✓ Measures for the prevention, reduction and elimination of adverse environmental effects envisaged by the Law (air protection, noise protection, water protection, fire protection)
  ✓ Measures to be taken in case of an accident
  ✓ Environmental protection technical solutions (recycling, treatment and disposal of waste substances, reclamation, remediation, etc.)

In addition to the envisaged measures, the monitoring system was also defined for the area of OCM Drmno. The system ensures reliable assessment of the size and intensity of pollution and possible damage, as well as timely taking of measures for the prevention of harmful pollution, or for successful remediation of detected and recorded pollution.
For the reasons listed above, the possible environmental impacts of the proposed activity on the Romanian territory was not considered by this Study with Decision No. 353-02- 0360/2008-02 dated 10 April 2009.

(d) Whether the Government of Serbia has held any discussions or exchanged information with the Government of Romania regarding the activity;
   - No

(e) Next steps concerning the further procedure for the activity (e.g. transboundary environmental impact assessment procedure, licensing procedure, discussions with the Government of Romania about the extended capacity of the mine);
   - If the Government of Romania considers that Romania could be potentially affected but had not been notified by Government of Republic of Serbia will use of the mechanism provided for in Article 3, Paragraph 7 of the Convention.

Yours sincerely,

[Signature]

Sabina Ivanovic, M.Sc.
Serbian point of contact to the ESPOO Convention

Cc: jds. M.J. Veder (mveder@clientearth.org)