

MINING AND GEOLOGICAL EXPLORATION

CURRENT SITUATION

The legal framework for geological exploration and mining in the Republic of Serbia is given in the Law on Mining and Geological Exploration ("Law") with the last amendments adopted in 2021, as part of legislative reforms in the field of energy and mining.

The latest amendments have significantly improved the existing legislation, while also numerous novelties have been introduced with the aim of further modernization and better alignment with international practice in this field.

The Ministry of Mining and Energy ("MRE") is responsible for implementation of the Law and supervision over the application of its provisions.

More than 40 bylaws in the field of geological exploration and mining are currently in force. Certain bylaws in force were adopted on the basis of previously applicable laws in

this field, while over time they were not harmonized with later amendments to the Law, which further limits their implementation and creates difficulties in practice.

The field of geological exploration and mining is a complex and multi-disciplinary field, thus the harmonization of laws and regulations from other related fields such as planning and construction, waste management, environmental protection and health and safety at work is crucial for this industry. Despite the obvious progress in the legislative framework and the involvement of the relevant Ministry, geological and mining companies in Serbia still face numerous problems in practice when applying the Law, due to insufficiently precise elaboration of certain provisions of the law, the lack and obsolescence of certain bylaws and conflicts with regulations from other related fields.

With that in mind, recommendations presented herein aim to improve the legislative framework applicable to the geological exploration and mining sector.

FIC RECOMMENDATIONS

- Needed harmonization of laws and regulations from other related fields such as planning and construction, waste management, environmental protection and health and safety at work.

Geological exploration

- The law should define the deadlines for issuing approvals for applied geological exploration that the competent authorities will adhere to.
- The provisions of the Law regarding the permitted quantities of mineral raw materials that can be taken for technological testing during the performance of approved geological exploration for the purpose of determining technological characteristics and proving reserves should be amended, especially with respect to mineral raw materials of strategic importance for the Republic of Serbia.
- Harmonized implementation of regulations in the field of geological exploration and regulations in other fields in accordance with the statutory competences is necessary. For example, agricultural inspection authorities acting in accordance with the Law on Agricultural Land, do not distinguish between geological exploration and exploitation works when performing inspection supervision over agricultural land on which geological exploration is carried out. Thereon, inspection orders obtaining of the consent for the change of land use (from agricultural to non-agricultural) and other measures in accordance with the applicable law, while clearly such obligation is triggered only for exploitation works or construction of infrastructure facilities subject to the general regime of obtaining building permits.
- A Rulebook should be adopted that prescribes the conditions, criteria, content and method of classifying resources and reserves of mineral raw materials and other geological resources and the method of presenting them in the elaborate (in accordance with the Law).

- The bylaws that regulate the manner, scope and preparation of the annual and final report on the results of geological exploration of solid mineral resources should be updated, as well as the manner of preparation of certain projects for the exploration of geothermal resources, which do not require prior approval of geological exploration works, but only the notification of construction works submitted at the local level.

Mining

- The Law should clearly provide that the request for approval of geological exploration works will be rejected if another entity holds the certificate on resource and reserves for the same area and the six-year period during which such company is entitled to obtain exploitation rights has not expired.
- The Law should regulate more precisely the correlation and order of the preparation of studies and projects according to the Law and obtaining of acts and preparation of studies under the environmental impact assessment legislation. The Law should allow for the possibility of implementing a simplified procedure for subsequent changes to the feasibility study of exploitation of mineral resources in certain cases, without the need to implement a new procedure for obtaining exploitation rights and determining the scope and content of the environmental impact assessment study. It is necessary for the Law to recognize the force majeure institute (especially civil protests, strikes, delays of authorities and holders of public authorisations or them acting contrary to the statutory deadlines) in the provisions prescribing validity terms or deadlines for obtaining approvals. The Law should regulate more precisely the triggering events for payments under collateral for the execution of remediation and recultivation of degraded land due to exploitation.
- To harmonize the competences of MRE and the Ministry of Environmental Protection in the areas of accreditation of laboratories and the implementation of the characterization and classification of mining waste. Regulations in the field of mining waste should be aligned and the area of mining waste should be more precisely and comprehensively regulated in the bylaws of the Law.
- Amend the existing Rulebook on technical norms for the underground exploitation of metallic and non-metallic mineral resources, so as to enable: (i) the transport of people and materials in the same shaft when the skip compartment has a steel barrier (brattice) between its own compartment and other conveyances, in accordance with ISO Standards (ISO 19426 - Shaft Infrastructure and ISO 22111 - Basics for the design of steel partitions); (ii) the use of steel structures such as Tehnograd system, which has a proven application in mines with underground exploitation instead of tapered wooden guides; (iii) the use of Epoxy resin in accordance with ISO 3108 and ISO 2408 Standards and ISO 17893 Standard which defines several potential socketing methods instead of molten metal socketing ; (iv) the use of SANS 10208 Standard for shaft steelwork and guides, which is used globally and represents the most updated and onerous standard for shaft guides but considers different safety systems; and (v) the automatic hoisting and signaling system in line with modern alternatives.
- New bylaws to the Law to be adopted or the existing ones to be supplemented in order to improve mining technical requirements, such as to: (i) provide for the use of Standard ISO 7243 for defining the effective air temperature in the mine; (ii) introduce all types of backfill for excavated areas (eg Cemented Rock Fill, Paste Fill as well as usage of GeoPolimer, etc.); (iii) regulate the use of emulsion explosives (storage of emulsion explosive components before their mixing in underground storage as chemical components, as well as their mixing and filling of mine holes into prepared mine holes) and ignition sources (new methods for ignition including EDK (Electronic Detonator Capsules), Busters and electronic ignition); and (iv) enable and regulate the use of battery electric vehicles for pit machines and the use of hybrid vehicles.