

Appendix II

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1. The First Steering Committee (January 19th)

1-1 Program of the First Steering Committee



РЕПУБЛИКА СРБИЈА
МИНИСТАРСТВО РУДАРСТВА И ЕНЕРГЕТИКЕ
БЕОГРАД, НЕМАЊИНА 22-26

AGENDA OF THE FIRST STEERING COMMITTEE

January 19th 2007, 10:30AM-12:30PM

1. Opening speech
by chairman, 10 minutes
2. Greeting and explanation of the implementation of JICA mining project
by Group director of JICA, 10 minutes
3. Explanation of the inception report
by JICA team, 20 minutes
4. Progress of the privatisation of RTB Bor
by Ministry of Mining and Energy, 15 minutes
5. Case study
by JICA team, 10 minutes
6. Discussion
30 minutes
 - Inception report
 - Case study
 - The role of JICA team for RTB Bor
7. Conclusion and closing speech
by chairman

DNEVNI RED PRVOG SASTANKA RADNE GRUPE

19 Januar 2007, 10:30AM-12:30PM

1. Otvaranje
predsedavajući, 10 minuta
2. Pozdrav i objašnjenje primene JICA rudarskog programa
director grupe JICA, 10 minuta
3. Objašnjenje početnog izveštaja
JICA tim, 20 minuta
4. Napredak u privatizaciji RTB Bor
Ministarstvo Rudarstva i energetike, 15 minuta
5. Pilot projekat (case study)
JICA tim, 10 minuta
6. Diskusija
30 minuta
 - Početni izveštaj
 - Pilot projekta (case study)
 - Značaj JICA tima za RTB Bor
7. Zaključak i završna reč
predsedavajući

1-2 Minute of the First Steering Committee

Minutes of the First Steering Committee Meeting The Study on Master Plan for Promotion of Mining Industry in Republic of Serbia

1. Place, date, time

Ministry of Mining and Energy
January 19, 2007 at 10:30-12:30

2. Participants

(1) Serbian side

Ministry of Mining and Energy (MME)

Mr. Zoran Teodorovic, Head of Analytic Sector for Mining and Geology in
MME, Chairman of The Steering Committee Meeting

Mr. Dragoslav Petkovic, Mining Advisor

Mr. Radoslav Vukas, Geological Inspector

Mr. Petar Popovic, Advisor

Mr. Dejan Sokolovic, Advisor

Ministry of Science and Environmental Protection (MSEP)

Mr. Miroslav Spasojevic, Assistant Director International

Ms. Snezana Kuzmanovic, Head of Section for Geology

Mr. Zoran Veljkovic, Advisor

Ministry of International Economic Relations (MIER)

Ms. Ana Ilic, Consultant

(2) Japanese side

Ms. Fumio Adachi, Director, II Group, Economic Development Department, JICA
Headquarters

Mr. Masao Shikano, Resident Representative, JICA Balkan Office

Mr. Yuji Nishikawa, Team Leader

Mr. Masaharu Marutani, Senior Geologist

Mr. Hisamitsu Ohki, Senior Mineral Processing Engineer

Ms. Tomoko Kashihara, Program Officer, Economic Development Department,
JICA Headquarters

Mr. Satoshi Murakami, Assistant Resident Representative, JICA Balkan Office

Mr. Toshio Inoue, Coordinator

3. Agenda

- (1) Opening Speech (Chairman)
- (2) Greeting and explanation of the implementation of JICA mining project by Director of JICA HQ (Ms. Adachi)
- (3) Explanation of the Inception Report (Mr. Nishikawa)
- (4) Progress of the privatization of RTB Bor (Chairman)
- (5) Case Study (Mr. Marutani and Ohki)
- (6) Discussion
 - Inception Report
 - Case Study
 - The role of JICA Team for RTB Bor
- (7) Conclusion and closing speech (Chairman)

4. Important Points of the Agenda

- (1) Chairman's greeting (Zoran Teodorovic, Head of Analytic Sector for Mining and Geology in MME, Chairman of The Steering Committee)
 - Mining is an important industry for Serbia. It was developed during the Yugoslavia era.
 - For the past 6 years, the Serbian government has been working to rebuild the mining industry. Privatization is currently underway. Mining activities are creating serious environmental problems.
 - JICA has materialized a master plan for promoting this mining industry, and the JICA team has started a survey. Mr. Teodorovic said that his organization would like to work with the JICA team to link the master plan to mining promotion.
- (2) Greeting and explanation of the JICA MP project (Fumio Adachi, Director, II Group, Economic Development Department, JICA Headquarters)
 - JICA provides mining-related assistance in areas such as geological, geophysical, and geochemical and remote sensing surveys. JICA cooperates with counterparts to resolve environmental issues, and recently emphasizes investment promotion.
 - Technology is transferred through joint working between JICA team and counterparts in the process of cooperation. MINDECO, which has contracted with JICA to carry out many projects so far, has a wealth of experience with surveys and investment promotion, and it will no doubt achieve good results here.
- (3) Explanation of the Inception Report (Yuji Nishikawa, JICA Team Leader)
 - We have already discussed the contents of the Inception Report with the members of the Steering Committee (MME, MSEP and MIER) and

related organizations (World Bank, Privatization Agency, Ministry of Foreign Affairs etc.)

- The two main issues in this Project are the scope of the case study as it pertains to the privatization of RTB Bor, and the selection of small and medium mines for the survey. The scope of the case study should be clarified. The Privatization Agency commented that it would be difficult to include a detailed survey based on an RTB Bor case study.
- The main role of the World Bank in its project is social impact on RTB Bor, and there is no overlap with the present JICA study. Comments were made that the mining industry is important for Serbia.
- There were opinions from the World Bank about Master plan that it is better to include social impact, and economical projecting. Japan has numerous closed mines and has a wealth of knowledge and experience of social aspects of mining.
- Coordinate and improve a mining law, institutional strengthens and mining policy target with the World Bank in Serbia.

(4) Progress of the privatization of RTB Bor (Zoran Teodorovic, Head of Mining and Geological Department, MME)

- In 2001, there were 20,000 workers in the mining industry. The government has been working step-by-step to restore production levels.
- Between 2003 and 2006, rebuilding was proceeding, and was completed at 6 companies. Presently, it is in the final process of privatization: international tenders have been made for mines and smelters, and a Romanian company was the No. 1 successful bidder. The Tender Committee is conducting negotiations. Ecological considerations are a very delicate matter, and investors must take responsibility for them.
- RTB Bor requires financing to introduce new technology, rehabilitate dressing plants, monitoring tailings dams, protect the environment, and other activities.
- 2 tailing dams out of 3 are being out of privatization.

(5) Case Study (Marutani and Ohki, Members of JICA team)

- Two options are being readied for the case study. In one option, RTB Bor will be included in the case study; in the other option, it will not be.
- However, the experiment for recovering valuable metals from the tailings dam (pond) at RTB Bor will not be part of the privatization package.

Economic assessment of recoverable metals will be made in the case study using samples taken from tailings.

(6) Discussion

(Comments by Serbian side)

- It would be difficult to in RTB Bor in a case study under the current privatization process. It would be better to include in the case study small and medium mines which are presently not the object of privatization
- It is important to have a balance between mining law, and environmental laws and regulations. Since Serbia wants to join the EU, it would have to abide by EU environmental standards, and preparations are being made to submit regulations and standards to the Serbian national assembly. The Serbian commented that they would like for these proposals to be considered in the survey.
- MME are using the Russian method for calculating reserves. The survey team is providing advice on managing reserves, etc.

(Comments by Japanese side)


- The Serbian government ought to have data and results from case studies related to the evaluation of tailings.
- There are 2 sets of laws, one related to mining and the other to exploration. The World Bank would like to have just one set of laws. It would be better to integrate these laws.
- It is necessary to consider the technical and legal aspects of environmental management. The technical aspects must be fit in with the legal aspects.

(7) Conclusion (Zoran Teodorovic, Chairman)


- 1) The case study should involve an evaluation of the tailings at RTB Bor.
- 2) Specific proposals for the selection of small and medium mines for the case study should be made with the study team, then a decision will be made by consensus.
- 3) The state of privatization of RTB Bor and associated survey was confirmed after discussion with RTB Bor based on the results of a preliminary survey conducted by the survey team on January 22
- 4) The Steering Committee approves of the Inception Report.

Date: 26. 4. 2007

Team Leader of JICA Team of
The Study on Master Plan for
Promotion of Mining Industry
in the Republic of Serbia


Yuji Nishikawa

Chairman of the Steering Committee


Zoran Teodorovic,