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HYDROPOWER DEVELOPMENT IN VALBONA VALLEY NATIONAL PARK, ALBANIA

is among the most egregious and ill-thought-out examples of unsustainable hydropower development in Albania. In the period 2003-2016 over 524 concessions for small hydropower (HPP) projects were awarded throughout Albania on pristine rivers and inside protected areas even when they could have serious negative environmental and socio-economic impacts.

Two such projects are the Dragobia Energy and Valbona Project Company HPPs in Valbona Valley NP which together comprise 11 of the 14 HPP projects currently either in construction or pending license approval. The procedure and content of their environmental impact assessments demonstrate non-transparent decision making, disregard for local communities' well-being and indifference towards high conservation value ecosystems, including a complete disregard of the fact that the development is occurring in a protected area.

If even one of these projects is realized, it will seriously impact and potentially destroy the tenuous ecosystems of this national park and compromise the purpose of a protected area as an 'extremely valuable conservation area set aside to protect large-scale ecological processes, species and ecosystems characteristic of the area, which also provide a foundation for sustainable development'.

CONSERVATION VALUE

Valbona Valley National Park comprises over 8,000 ha located in the Dinaric Alps of northern Albania and has been an IUCN Level II protected area since 1996. The entire area is part of the Emerald Network, the ecological network made up of Areas of Special Conservation Interest designated under the Bern Convention. In January 2016 application was made to UNESCO for recognition of the virgin European Beech Forest of upper Gashi Valley as a World Heritage Forest. Valbona Valley NP is planned to be designated as Natura 2000 site and legislation is currently being drafted to make it part of the new 86,000 ha "National Park of the Albanian Alps". This park will share borders with Montenegro's Prokletije National Park and Kosovo's Bjeshket e Namuna National Park thus creating one of the largest cross-border protected areas in the Balkans, as well as preserving one of the areas of greatest biodiversity in Europe. This protected area is also a significant eco-tourism destination and is one of the top 3 tourism attractions in Albania and among the top 10 world-wide hiking destinations according to National Geographic.

THREATS

It is extremely difficult to determine the exact number of HPP licenses granted in Valbona Valley NP, and to date there is still no assurance that we have complete information. Construction of a small 4 MW plant "Tplani HPP" began in 2013. In January 2016, in the process of requesting information for Tplani, the local population incidentally learned of plans to construct 2 cascade plants (Cerem and Dragobi, together referred to as the Dragobia Energy Project) which will total 27 MW. This project is in turn part of a bigger 4 HPP/51 MW concession. In March 2016 the "Valbona Project Company" name was leaked to local people. Investigating this revealed a concession contract for an additional 9 HPP on the Valbona River, 3 of which are wholly within the protected area. Since then news of additional companies has come to light ("Hydro-Valbona" and "Wonder") registered with "the intent to develop in Valbona Valley" but no information has been made available to date regarding their planned activities. In late September 2016 construction of the Dragobia Energy HPP started with the bulldozing of large access roads across virgin territory as well as installation and construction of machine depots in the valley.



ENVIRONMENTAL IMPACT ASSESSMENT CONCERNS

After analyzing environmental impact assessment studies available for the Dragobia Energy and Valbona Project Company concessions, independent international experts conclude that **all parts of the Environmental Impact Assessment Reports (EIA Reports) provide very poor information with major gaps or weaknesses which would prevent the proper decision making process proceeding and require major work to complete**. The reports are not in line with the good practice standards prescribed either by the European Commission or the International Association for Impact Assessment.

Poor project design and planning. The sites to be occupied by the project are not described; neither is the form and appearance of any structures or other works to be constructed as part of the projects. Critically, the EIA Reports do not provide information on the planned associated infrastructure – such as roads and power lines – that are directly associated with the proposal, and do not include a proper map of land-uses.

Inadequate and deficient description of the habitats and fauna and flora. The EIA Reports do not include any information on species' populations and characteristic habitats that may be directly or indirectly affected by HPP development, whether in a general survey context or with particular attention to protected species and habitats. They do not mention any nearby protected areas, or the fact that the projects are located directly within the Valbona Valley National Park. Furthermore, the potential impact area has not been defined widely enough to include all the area likely to be significantly affected.

Lack of professional standards. The EIA Reports do not include any sources of data, there is no indication that even a very basic professional survey has been undertaken to characterize the baseline environment, nor can it be determined which individuals prepared the EIA Reports and/or what their professional credentials were.

Impact on fauna, flora and habitats is not described and appropriately quantified. The EIA Reports include only simplistic opinions, contradicting data about fauna, flora and ecosystems presented elsewhere in the same EIA Reports. They ignore any consideration of ecological processes that could be affected by the construction and operation of HPP projects including both disturbances from construction works, as well as reduced flow within rivers.

Impact on water environment is not described and appropriately quantified. The proposed projects as described in the EIA Reports are inconsistent with EU Water Framework Directive objectives which require either i) non deterioration of the existing status of all surface water bodies; or ii) achievement of good ecological status in natural surface water bodies. Information provided within the EIA Reports shows significant risks to all supporting elements of good ecological status of surface water bodies – particularly on hydro-morphology (elements that characterize river bed and river flow), physico-chemical status (indicators of pollution and disturbance of water status) and biological quality elements (main characteristic species that live in its habitats and river conditions).

No consideration of alternatives. The process of consideration and determination of options – including the standard baseline alternative with “do nothing” scenario – is not described in the EIA Reports. There

is no consideration of realistic and genuine alternatives to the proposed projects, and the reasons for selection of the given project design are not described.

No assessment of cumulative impacts. Other existing or planned developments with which either project could have cumulative effects are not identified – these EIA Reports fail to mention that there are other proposals for hydropower plants on the same river, even though the EIA Reports were done almost simultaneously and prepared by the same contractor.

LEGAL CONCERNS

Arguably invalid concession agreements. Concession agreement may be challenged based on the invalidity of the various legal acts which are needed in order to obtain the concession. These include, inter alia, inadequate environmental impact assessment and consequently an invalid environmental permit.

Inadequate and outdated environmental permit. The EIA was based on outdated legal requirements from 2003 rather than the new Law No. 10440 that was already in effect. Furthermore, the projects missed a 2 year deadline requirement to start construction; therefore under Albanian law the environmental authorization is automatically invalidated and a new EIA process must commence from the beginning.

Ineffective public consultation. In the case of Dragobia Energy, a one page document with 20 signatures was submitted as evidence of EIA public consultation. The valley is home to over 1.000 people, implying that all potentially affected persons were not adequately consulted, leaving aside the issue that – as a *national* park – public consultation should conceivably include all interested national stakeholders. Importantly, a petition circulated among locals upon learning of the projects gathered 94 signatures protesting the developments within one week.

No consultation with the neighboring countries. The EIA Reports make reference to the “creation of roads through virgin territories” to Montenegro, which is not part of licensing documents. The intent to construct a major road route to Montenegro, delivering increased auto traffic to Prokletije National Park implies transboundary impact and requires consultation with Montenegro under the Espoo Convention.

RECOMMENDATIONS

In order to resolve the immediate threats to Valbona Valley National Park, the Government of Albania should:

1. **Immediately stop all ongoing construction pending full investigation into legal and quality concerns related to concession contracts and EIA processes with the goal of revoking concessions granted for hydropower construction in Valbona Valley National Park.** This National Park, as an IUCN category II protected area, is designated in order to protect large-scale ecological processes, species and ecosystems; hydropower development inside this National Park will compromise the protected area, which is home to many species and habitats important at the EU level.

2. **Commission a new Environmental Impact Assessment to be conducted as required by Albanian Law, and prepared by independent national and international experts according to the international standards and EU directives, with the goal of determining whether planned development is compatible with the purpose of a national park protection category.** According to the Albanian law, a new EIA is required in any case, since the construction of the project did not start within 2 years of the granting of construction permits.
3. **Organize transparent, open and inclusive public consultations to determine whether hydropower development in Valbona Valley National Park is supported by the public.** Valbona Valley holds significant cultural and spiritual meaning to Albanian citizens, so any potential destruction of the Valley should be agreed in a consensus. Also, local communities should have the opportunity to review the proposed development and decide whether any impacts (economic, ecologic) would be acceptable considering their livelihoods. It is important to provide safe and secure opportunities for the public to express their opinion, without fear of repercussions, as stipulated by the Aarhus Convention (to which Albania is a signatory).
4. **Proceed with the declaration of the National Park of the Albanian Alps, to be based on agreed management plan and zoning.** A management plan was prepared in a consultative process with local communities, experts and public authorities, and as such represents the consensus among all relevant stakeholders which should be legally adopted. Valbona Valley National Park is completely encompassed in this proposal.

In order to avoid similar issues in the future, as well as to ensure energy security and stability and long-term viability of water resources, hydropower development in the country should be planned systematically, strategically and sustainably. To this end, the Government of Albania should:

5. **Establish a working group tasked to develop the approach to strategic planning of sustainable hydropower development.** This group should consist of representatives of relevant ministries (water, energy, and environment), developers, civil society organizations and representatives of local communities. They would jointly formulate the approach to hydropower development taking into account environmental, social and economic factors in an equally balanced way.
6. **Create a national register of all planned hydropower plants to improve the transparency of concession granting process and allow interested stakeholders to monitor development.** This register should contain information such as, inter alia, the developer, exact location of the project, planned capacity of the project, any subsidies given to promote development, status of development (level of permit obtained).
7. **Consider other renewable energy sources besides hydropower for energy supply and develop the program of 'concession swaps' to provide suitable project development locations for those hydropower plants located in protected areas.** Climate change predictions indicate that reduction of rainfall and water tables in Albania will lead to 60% decrease in hydropower production, thus making it extremely unreliable source of energy in the future. At the same time, new studies on renewable potential indicate significant opportunities for solar and wind power development. In addition to diversifying generation sources by increasing production from other renewables, the potential locations for these other sources could be used to compensate revoked licenses for hydropower projects planned in protected areas.
8. **Stop issuing any new licenses for hydropower construction,** until tasks above have been completed.

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