

More than half of European rivers are on red alert – failing to reach good health as required until 2015 by the Water Framework Directive. Yet in parallel, the Renewable Energy Directive (RED) has enabled numerous harmful hydropower projects to be counted as renewable energy and in many cases to benefit from renewable energy incentives as well – even when they have breached EU law.

If the ongoing revision of the Directive doesn't improve the requirements for water and biodiversity protection, the goals of the EU 2030 Biodiversity Strategy to stop deterioration of all protected habitats and species and restore 25,000 km of free-flowing rivers by 2030 will be unattainable.

The VEZ Svoghe project on the Iskar River just north of Sofia, has already led to serious environmental and social impacts, which show the need to explicitly link the RED with requirements for compliance with EU environmental law. With five out of nine originally planned hydropower plants built, fish migration has been obstructed and part of the Vrachanski Balkan Nature Park has been flooded.

EU officials have pointed out numerous times that there should be no trade-offs between reaching the climate goals and protecting biodiversity. However, many hydropower plants put into operation since the RED was first adopted in 2009 show a different picture. Although some lessons have been learned in the last decade, the environmental harms remain and need to be remedied. No space for new harm should be allowed by the RED that is currently under revision.

As Bankwatch partner groups from Bulgaria have been informing the EC for years, the VEZ Svoghe cascade was approved, built and now operates with serious infringements of national law, as well as the EU Habitats and Water Framework Directives. Yet it still counts towards Bulgaria's renewable energy targets and has received renewable energy incentives. In reality there is nothing to prevent such plants receiving such subsidies, as the RED has no provisions to ensure that legal breaches result in a halt to incentives.

Violation of national law

The Svoghe cascade was planned and partially constructed within the Vrachanski Balkan Nature Park in an unprecedented violation of Article 33 of Bulgaria's Protected Areas Act which stipulates:

"In nature parks it is forbidden to carry out: (...) activities and construction that are not allowed by the decree declaring the park, the park management plan and the development and technical plans and projects".

In the park declaration decree from 2003, hydropower construction is not allowed, nor in the first management plan approved after the EIA decision, nor in any other park document. Nevertheless, according to the project EIA, *the total area of the installations that fall within the boundaries of Vrachanski Balkan National Park is 11.085 hectares (...), and includes parts of the Lakatnik, Svrazhen, Opletnya, Levishte and Gabrovnitsa plants.*

The EIA was opposed by the Regional Environmental Inspectorate, but approved by the national Ministry of Environment and Waters. The Lakatnik, Svrazhen and Opletnya plants, financed by the EBRD and put in operation between 2008 and 2013, have already destroyed more than 6 hectares of the park.

Moreover, all the dams are built in the river bed, which is state property, without any concession agreement or other rights to build on state land. The Balkanka Association has alleged that such constructions are illegal according to several national laws and in another region, this has led to the first dam removal in Bulgaria. In November 2021 the Sofia regional prosecutor's office refused to take action on the legality of the construction permits of the Svrazhen plant, and Balkanka is appealing the decision.

Source: bankwatch.org