

03 June 2008

To: Mr. Slavtcho Neykov,  
Energy Community Secretariat

Subject: indicative list of energy infrastructure priority projects  
adopted on 18<sup>th</sup> December 2007

Dear Mr. Neykov,

Thank you very much for your detailed reply.

It is encouraging to see that the countries of the region can overcome their political differences and plan together how to secure energy supplies for South Eastern Europe (SEE). A regional perspective is instrumental in attracting investment to the region. Therefore when the Energy Community and the Regional Cooperation Council assign priority to certain projects from this regional perspective it can be considered as granting approval and adding additional value to them.

It is indeed reassuring to learn that the indicative list of priority energy projects is “a structured tool to better monitor the progress as regards compatibility ... with the economic and environmental requirements” and that “correct implementation of the EU environmental acquis will be a key condition for the projects to remain on the list”.

However, the usefulness of the indicative list as a tool is not clear concerning projects that have passed the pre-feasibility stage and are already at the stage of construction. For example, in the case of the Vlora TPP project, prior to approval of the list on December 18<sup>th</sup>, 2007, an investigation by the UN Aarhus Convention Compliance Committee has already showed that the Environmental Impact Assessment (EIA) process did not provide sufficient opportunities for the citizens of Vlora to participate in the scoping sessions and public consultations.

Earlier in 2007 the World Bank and the EBRD approved investigations into controversies surrounding the thermo-power plant project, the results of which are pending. If even these alarming signals were not enough to stop the inclusion of the Vlora TPP into the indicative list of priority projects, we are concerned that the monitoring of the compatibility of the projects with economic and environmental requirements may not be sufficient.

The case demonstrates a contradiction between “monitoring of progress with investments” and “monitoring of progress as regards compatibility” with economic and environmental requirements. It is regretful to note that in the case of Vlora TPP the three major international financial institutions - WBG, EBRD and EIB – have committed public funding for the implementation of the project, in spite of their subscription to the European Principles for the Environment.

In view of the above, could you provide us with information about the exact mechanism of carrying out monitoring of progress as regards compatibility with economic and environmental requirements? At what stage of project development and implementation is a project checked for compatibility by the Energy Community Secretariat? What would be the process for deciding to remove a project from the indicative list of priority projects?

Furthermore, it would be very enlightening for us to understand the mechanism of “monitoring the implementation of the Environmental Acquis and the Acquis on Renewables in the Contracting Parties” which you informed us is presently done by the Secretariat. If this process is open for contributions from parties other than the monitored ones, environmental NGOs from the region would be glad to provide you with feedback and recommendations based on their experience with the implementation of environmental legislation in their countries.

Kind regards,

Fidanka Bacheva-McGrath

Coordinator for Southeastern Europe  
CEE Bankwatch Network