

## Boskov Most hydropower plant project

For more information

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The Boskov Most hydropower plant (HPP) includes a 33 metre accumulation dam and a power plant with a total capacity of 68MW. Around 80 per cent of the project falls within the territory of the Mavrovo national park, the largest and richest national park in Macedonia. Total project costs are projected at EUR 84 million, and the EBRD provided a loan of EUR 65 million. The remaining EUR 19 million is equity held by the state-owned Macedonian Power Plants (ELEM) as the project promoter. The EBRD approved the project on 8 November 2011, and the contract was signed in the same year.

Following our correspondence about the Boskov Most project's irreversible impact on nature, this paper provides an overview of the most recent developments concerning the planned HPPs in the Mavrovo national park.

### Bern Convention decision to open a case file on HPPs in Mavrovo

At the 34th meeting of the Standing Committee of the Bern Convention in Strasbourg in December 2014, the Committee decided to **open a case file** regarding the construction plans for HPPs within the territory of the Mavrovo national park. An **on-the-spot appraisal** organised by the Secretariat in late June 2015 will collect additional information in order to prepare draft recommendations that are to be submitted to the Standing Committee at its next meeting in 2015.

In its Environment and Social Policy, the EBRD is committed to operate in line with international regulations for the protection of nature and the environment. So we would expect that the bank and project sponsor halt preparatory activities (land acquisition and expropriation, contracting and the like) until the Council of Europe draws recommendations on HPPs in Mavrovo.

EBRD management has said that the bank will incorporate any additional data or information collected by the Standing Committee of the Bern Convention within the project. However ELEM, as a state-owned company, relies on the government's decision whether or not to follow the outcomes of the upcoming appraisal by the Standing Committee. As such it is uncertain that the findings of the investigation will be fully mainstreamed within the Boskov Most project design.

CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

We therefore ask the bank to comply with its own policies and international legislation in order to ensure the implementation of the recommendations from the Bern Convention Secretariat in the case of Mavrovo national park, even if it means stepping out of the project.

## Spatial plan for Boskov Most without an SEA

The adoption of the spatial plan for the Boskov Most HPP was implemented in breach of the Macedonia's Law on Environment, the provisions for strategic environmental assessment (SEA) and the Aarhus Convention. According to the Law on Environment and the relevant bylaws, SEA is **obligatory** for projects that are subject to environmental impacts assessments, in terms of provisions on public consultation. **In this case, no SEA was conducted, nor was a public consultation organised.**

This was not a participatory process, and we believe that this approach is neither in line with the bank's own policies nor with national legislation. We urge the board and management to initiate a further investigation into this issue.

## EIA permit expired

As discussed with the board during its visit to Skopje in October 2014, the national EIA permit for Boskov Most is no longer valid, as it expired on 9 October 2014. On several occasions, CSOs have requested revisions to the EIA study and a new public participation procedure. The official record (archive) of the Ministry of Environment does not contain any entry about a request for an extension, as noted by ELEM prior to the expiration of the previous permit.

However, ELEM informed CSOs that an extension procedure is ongoing and a request for an extension was submitted and approved. Therefore we believe that **any possible extension of the environmental permit has not been legally obtained** and we propose that the board **initiate an investigation** into this process together with the bank's management.

A recent study published by ÖKOBÜRO<sup>1</sup> states that the EIA does not satisfy the procedural and substantive obligations required under the:

- SEA Directive (2001/42/EC)
- EIA Directive (2011/92/EU)
- Habitats Directive (92/43/EEC)
- Birds Directive (2009/147/EC)
- Water Framework Directive (2000/60/EC)

One of the main deficiencies is the lack of environmental data, which limits the possibilities for a proper environmental assessment. The result is an inability of environmental reports and studies to assess the direct and indirect effects of a plan or a project on the environment because they are not based on complete, accurate and up-to-date environmental data. In particular, the cumulative effects of several projects planned in an area are to be considered before even starting project permitting procedures. Furthermore the study says that the substantive requirements of the Habitats and Birds Directives and the Water Framework Directives are mainly ignored.

For these reasons, we believe that the bank should investigate whether **the EIA for the Boskov Most project needs updated and revised.**

<sup>1</sup> "Nature destruction under the guise of energy security?" [Analysing EU law compliance of HPP Plans in Mavrovo National Park in Macedonia], February 2015 – Established in January 1993, ÖKOBÜRO consists of [16 NGOs promoting environmental nature & animal protection](#) and functions as coordinator of Austrian environmental organisations.