

Albania: IFC & Enso hydro Austria 9MW HPP project Lengarica under pressure for environment and concession permits investigation

The European Parliament resolution on Albania's progress towards the EU in 2014 has called on Tirana to reconsider plans for the construction of hydropower plants in the country's protected areas, including the current building of a plant on the Lengarica River in the south, citing environmental concerns.

"The European Parliament urges the Albanian authorities to develop comprehensive management plans for existing national parks with respect to the IUCN World Commission of Protected Areas' quality and management guidelines for protected area category II," says an amendment to the draft resolution from MEP Tamas Meszerics from the Greens group.

"It urges the authorities to abandon any development plans devaluing the country's protected area network and calls for the abandonment of small and large-scale hydropower construction plans inside all national parks in particular; demands to especially re-think the plans to build hydropower plants along the Vjosa river and its tributaries, since these projects would harm one of Europe's last extensive, intact and near natural river ecosystems," the amendment adds.

Meszerics' colleague from the Greens group, Igor Soltes, who presented the amendment during the European Parliament foreign affairs commission's hearing on Albania's resolution, underlined that the Lengarica project was the only one of the 43 projected hydropower plant projects on the Vjosa River that is now under construction.

"There are lots of problems surrounding this project because it is in a protected area," Soltes noted.

A BIRN investigation in November revealed that the hydropower plant poses a serious environmental risk to the Lengarica River canyon in southern Albania.

The plant is being financed by the International Finance Corporation, IFC, the commercial arm of the World Bank, and is being built by Enso Hydro of Austria through a local subsidiary, Lengarica & Energy.

Documents obtained by BIRN and interviews with experts and government officials show that Lengarica & Energy's initial application for a permit was rejected because of its negative impact on the canyon and on the Hotova Pine national park.

An environmental permit for the project was ultimately approved, apparently following application of political pressure, however.

Enso Hydro admits that the plant is being constructed in a "sensitive" natural environment, but maintains that the work will have no impact on the canyon itself.

On the heels of BIRN's investigation, the Tirana prosecutor's office launched an investigation to review all the procedures over the award of a concession to the Austrian company.

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Situated in the Gjirokaster province, in the Southeast of Albania, Lengarica power plant can draw on a relatively large catchment area of about 270 km². The project currently under construction is scheduled to generate an annual production of 32.2 GWh with an installed capacity of 9 MW. Net head will come in at around 148 m. A headrace tunnel of 4 km length is used as a temporary reservoir to optimise production. The investment volume for this project comes to about € 23 million (VAT included).