

Activists fear an investment plan for the Western Balkans will offer little funding for renewable energy projects other than hydropower, despite earlier pledges from the European Commission to give green and digital projects “a central role in relaunching and modernising the economies of the Western Balkans.”

Green lawmakers have hailed the cancellation of a hydropower plant in Albania but now fear that a forthcoming EU investment package for the wider region will promote small hydropower, which activists blame for destroying ecosystems.

The announcement was made by Albanian prime minister Edi Rama on Twitter more than a week ago: no hydropower plant will be built on lower Vjosa, one of the last wild rivers in Europe.

Green lawmakers in the European Parliament hailed the decision, saying it “will have an invaluable impact on the environment and biodiversity around one of Europe’s last free flowing rivers”.

The EU’s enlargement and neighbourhood commissioner, Olivér Várhelyi, has previously said that EU investments in the regions will support connections in the field of energy, transport and the green agenda in order to bring the region “as close as possible to the EU economy.” The Greens are now urging the Commission to stick to the plan. “The Green Deal is the premise for the EU-Western Balkan policy. Commissioner Várhelyi must ensure this in his proposals and should not push his own agenda,” said Thomas Waitz, an Austrian MEP who is co-chair of the Greens in Parliament. The investment plan does not enjoy unanimous backing at the European Commission either. Several Commission departments also gave negative opinions on the green aspects of the financing strategy during the executive’s internal consultation, Euractiv understands.

About 2,800 small hydropower plants are planned for construction in the Western Balkans but environmental activists say those will seriously damage river ecosystems for relatively little benefit. With electricity outputs of less than 10MW, they will only marginally contribute to energy needs, critics say. One of the main drivers of the hydropower boom in the Western Balkans is the availability of public subsidies in the form of feed-in tariffs, and fixed prices for long-term contracts paid to renewable energy producers.

“It’s not only about nature and biodiversity, it’s also a lot about the rule of law, public participation and the fight against corruption,” said Gabriel Schwaderer, executive director at conservation NGO EuroNatur.

Schwaderer said many of the building permits for small hydro projects are unlawful and vulnerable to graft: local actors are often ignored to the benefit of project promoters. The cost of small hydropower plants are also harder to predict because of particularities in the

terrain, leading to vastly different costs from project to project, Schwaderer said. By contrast, solar farms have clear international prices and more predictable construction costs, making them easier to plan for public procurement, he argues.

“We assume that it’s much easier to hide things not everyone should see in such a project than, for example, in solar energy investments where you have a world market that is more or less transparent,” Schwaderer told Euractiv.

Graft issues can have wider consequences for the energy transition. A 2019 report by a network of environmental NGOs found that “perceived corruption and nepotism in the renewables incentives system endangers public acceptance of the whole transition to an energy efficient, renewables-based energy system.”

Despite those warnings, EU institutions have continued to fund small hydropower projects. A 2018 report by a group of finance and environmental watchdogs found that the European Investment Bank (EIB), the world’s largest public lender by volume, “has provided over €22 million to at least 22 small and mini hydro power plants through commercial banks in the region”. According to the report, the “final clients could not be traced” because the EIB “declined to systematically identify the names of the projects, citing client confidentiality”. Investing in small hydropower projects also goes against the EU’s own biodiversity plan to restore at least 25,000 km of rivers into their free-flowing state.

Although conservation organisations have hailed the strategy, “such a plan and message should not be jeopardised by now pushing for damming the best and most valuable rivers in Europe,” Schwaderer said.

“We should and must not use European investment funding to destroy those rivers,” he said.

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