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WWF Briefing Paper On ISPA (Instrument For Structural Policies For Pre-accession)

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1. Executive Summary

The Pre-Accession Funding Instrument ISPA (Instrument for Structural Policies for Pre-Accession) is a great step forward in identifying the need to invest in implementing the EU's environmental policy in the EU Candidate Countries (CCs). In the framework of *DG Environments' Accession Country NGO Dialogue Group* WWF was asked for its' comments on the progress of ISPA. Our evaluation was made on the basis of our extensive experience both of working with EU funding mechanisms and in the region of Central and Eastern Europe. This paper responds to the request for comments and includes an evaluation of the projects funded by ISPA in 2000 which is based on a set of evaluation criteria and draws on our work in the region.

The briefing paper concludes that ISPA is essential to achieving implementation of environmental legislation. The funding shortfall in the CCs represents one of the main challenges of the EU Accession process to the governments of the CCs. ISPA can work in this area as a catalyst for the development of sustainable alternatives with the use of preparatory funding and technical assistance provisions. However, WWF believes that ISPA excludes small projects by setting high thresholds of 5 Million Euro. This limit should be lowered. Smaller projects may be more effective and efficient in the use of natural resources and direct impact on the community. Furthermore, ISPA is creating contradictions in development in the CCs, as ISPA-funded infrastructure projects contravene other EU environmental policy objectives.

To address shortcomings in the development of ISPA, WWF's key recommendations are that the public and NGOs should be involved as important stakeholders. At present, public and NGOs are largely excluded from planning concerning both further developments of the CC ISPA strategy plans as well as individual projects. Additionally, ISPA should be used as an instrument for nature protection and the use of sustainable resources. Moreover, Strategic Environmental Assessment should be introduced to rectify the imbalance of contradictory policies.

WWF's conclusions are that ISPA falls short of fulfilling its priorities according to the ISPA Regulation (Council Regulation (EC) N° 1267/1999 of 21 June 1999). WWF shares the opinion of the European Commission that it is timely to review the current progress and improve the process by taking the lessons of the first year into careful consideration. The comments presented in this paper should contribute to this review process. Thus the full potential of ISPA can be realised transforming it into a key instrument in facilitating the transition of the countries of Central and Eastern Europe to a European Union which places the environment at the heart of its policy agenda.

2. Introduction

ISPA (Instrument for Structural Policies for Pre-Accession) is a financial instrument started in 1999 to invest in the transition of countries of Central and Eastern Europe in the specific fields of transport and environment. The instrument aims to concentrate on "investment-heavy directives". ISPA's aim is to split the fund 50/50 between environment and transport projects. The assistance includes investing in capacity in order to implement the Accession Country's environment policy. This support for the implementation of EU environment legislation and for environmental protection are mentioned in the ISPA regulation. Funding allocated so far does not include any expenditure for nature protection activities. This report aims to evaluate the efficiency of ISPA to achieve its objectives for stronger cohesion, with particular reference to environment.

The historic political, economic and societal transformations of the accession countries in Central and Eastern Europe, the Baltic, and the Mediterranean regions offers a unique opportunity to raise environmental quality and sustainability in Europe as a whole. The accession process also provides an opportunity to avoid some of the past mistakes of the EU-15 and to establish a consistent European-wide environmental strategy for the period ahead.

The accession countries' abundance of natural resources and cultural heritage of rural areas – values which will also enrich the biological and cultural diversity of the EU – provide the potential foundation for sustainable development strategies. The goal for sustainable natural resource use is to avoid destruction and degradation of ecosystems, and to maintain future options for development. Achieving sustainable development will require the consideration of the environmental dimension in all sectors and policies, including in agriculture and rural development, fisheries, forestry, energy production and consumption, transportation and industrial production. Sustainable development relates not only to public policies but also to the private sector and especially to the consumer patterns and behaviour of all people living in Europe.

WWF welcomes the designation of the ISPA funds and regards them as an important source of finance to enable the transition of the Central and Eastern European countries to a Europe which places the environment at the heart of its policies. Following a brief overview of the ISPA programme so far, this document sets out to evaluate ISPA spending to date. Based on a set of benchmarks and drawing on our experience with ISPA in the region we present our recommendations for changes in the existing guidelines for the programme's further development and in order to address its current deficits.

This document draws on WWF's experience of monitoring and evaluating the structural and cohesion funds in the EU. WWF has been working in many of the CEE countries for over a decade and is an important partner in facilitating international and cross-sectoral approaches to conservation and development in the accession countries.

3. Background

What follows is a brief and general overview of the ISPA programme according to the "ISPA Regulation" (Council Regulation (EC) N° 1267/1999 of 21 June 1999). This will cover ISPA's priorities, time-span, raison-d'être, methods of distribution and the project and grant criteria.

ISPA is a financial instrument to provide support to accession countries in the field of transport and environment.

According to the "ISPA Regulation" (Council Regulation (EC) N° 1267/1999 of 21 June 1999):
"ISPA shall provide assistance to contribute to the preparation for accession to the European Union of the following applicant countries: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia (referred to as "beneficiary countries"), in the area of economic and social cohesion, concerning environment and transport policies […]".

ISPA Priorities according to the "ISPA Regulation" (Council Regulation (EC) N° 1267/1999 of 21 June 1999):

i) The environment – bringing the applicants up to EU standards-

Applicant countries generally have important needs for assistance in the field of environmental protection in order to comply with:

EU environment legislation:
- Preserving, protecting and improving quality of environment
- Protecting human health
- prudent and rational utilisation of natural resources

EU environment principles:
- Precautionary principle
- Preventive action
- Damage rectified at source
- Polluter pays principle

ISPA assistance according to the ISPA Regulation will concentrate on the "investment-heavy" directives. These are directives that are costly to implement and deal with the worst environmental problems, including:
- Drinking-water supply
- Treatment of waste water
- Solid-waste management
- Air pollution

ii) Transport priorities according to the "ISPA Regulation" (Council Regulation (EC) N° 1267/1999 of 21 June 1999):

Extending the Trans-European Transport Networks (TENs). There is an urgent need to build and rehabilitate transport infrastructure in the applicant countries and to link it to the Union's transport networks, since this is a crucial part of their economic development strategies.

ISPA projects are meant to encourage sustainable alternative modes of transport[1], in particular projects which are of Community interest, and projects which enable the countries concerned to meet the objectives of the Accession Partnerships. This will include providing good connections between the Trans-European transport Networks and road and rail corridors (identified at the Helsinki and Crete Conference) in the applicant countries and interconnections between national networks and links from them to the Trans-European transport Networks.

iii) Technical assistance

A small part of the ISPA budget may also be used to fund preparatory studies and technical assistance. However, a clear link must be shown between these measures and the projects funded by ISPA. ISPA funding for technical assistance recognises that such assistance has a crucial role in guaranteeing a high level of quality in projects, in terms of both management and impact, and will allow research results to be incorporated in the relevant sector as far as possible.

Why was ISPA developed?

Alongside SAPARD and PHARE, ISPA aims to help the accession countries prepare for accession within the Accession Partnership Framework, recognising structural deficits in relation to the current EU-15. An ISPA strategy has also been drawn up by all of the accession countries. The strategies provide the basis upon which the EU can plan its financial support for improvements to major environmental and transport infrastructure in the beneficiary countries. Presently no distinction is being made between the different EU candidate countries and their progress in the accession negotiations; all candidate countries are being treated equally.

How much money is provided?

Between 2000-2006, the ISPA fund has been allocated one billion EUROs per year. The total cost of each project shall in principle not be less than 5 million Euro. The rate of Community assistance granted under ISPA may be up to 75% of public or equivalent expenditure. ISPA should act as a leverage fund to bring in other resources, such as international financial institutions including the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), World Bank as well as private capital and national resources.

1 Rail transport has dropped by more than half in many of the CEECs, with a reduction of up to 70-80 percent in some countries. This tendency should be reversed, since railway transport can offer many energy efficient and environmentally friendly solutions. (TINA Report 1999)

How is the ISPA fund distributed?

The allocation of ISPA resources among the recipient countries has been decided by the European Commission using criteria based on population, per capita GDP and land surface area.

Allocations are given as a range:

- Bulgaria .....8.0% – 12.0%
- Czech Republic.....5.5% – 8.0%
- Estonia .....2.0% – 3.5%
- Hungary .....7.0% – 10.0%
- Lithuania .....4.0% – 6.0%
- Latvia .....3.5% – 5.5%
- Poland .....30.0% – 37.0%
- Romania .....20.0% – 26.0%
- Slovakia .....3.5% – 5.5%
- Slovenia .....1.0% – 2.0%[1]

Timetable

ISPA was set up as part of Agenda 2000 and agreed by the European Council Meeting in Luxembourg in 1997 as part of the Pre-Accession Strategy. The implementation of ISPA has been prepared by a small team of officials in the Candidate Countries (CCs) and in the European Commission since early 1999 and identified 150 projects. In April 2000 the ISPA Directorate examined this project pipeline and 80 projects were selected. The first projects started in 2000.

1 Published in the Official Journal L72, 21 March 2000, p. 21

General criteria

According to the "ISPA Regulation" (Council Regulation (EC) N° 1267/1999 of 21 June 1999), all ISPA support should be in line with the following general principles:

- Support should act as a catalyst for additional activities related to accession or should help to accelerate these activities
- All investment projects assisted by ISPA should have a national contribution. Loan repayments can be considered as a national contribution
- ISPA support should not displace other sources of finance, especially from the private sector or from international financial institutions. It should, on the contrary, attract other sources of finance.
- All projects must comply with EU norms and standards, be coherent with the sector policies of the EU and environmentally sound development as defined by Articles 2 and 174 of the Treaty.
- All projects must be financially sustainable to cover future operating and maintenance costs
- All projects must go through the entire EU EIA process prior to agreement for the infrastructure project to go ahead
- Measures (projects) shall be of a sufficient scale to have a significant impact. The Commission's intention is to target investment on the largest population centres as a first priority. Where projects are grouped, the Commission will pay particular attention that the group is geared to a precise objective and that appropriate preliminary studies have been undertaken.

Project criteria

- The total cost of each project shall in principle not be less than 5 million Euro.
- The need to strike a balance between measures in the field of environment and of transport.
- The possibility to finance technical assistance measures linked with project implementation.
- The project must comply with all EU norms and standards and include an EU EIA.

Grant criteria

The rate of assistance shall be reduced to take into account:

- The availability of co-financing
- The measure's capacity to generate revenues
- An appropriate application of the polluter-pays principle.

4. Overview of 2000 ISPA Spending

A total of 85 projects representing a total of 2.09 Billion EURO for 2000 received a positive opinion from the ISPA Management Committee. The average value of the projects approved under the 2000 budget is 13 million EURO. This is a very high level of funds per single project. The aim of the programme is to share the funding available between the environment and transport sectors. The average spent on Environment Projects was 45% and the average for Transport was 51%, representing an even share between the two sectors. Slovenia received the most investment for environmental projects with 57% of the funds earmarked for Environment. While Slovakia received as little as 27 % of the total earmarked for Environment.

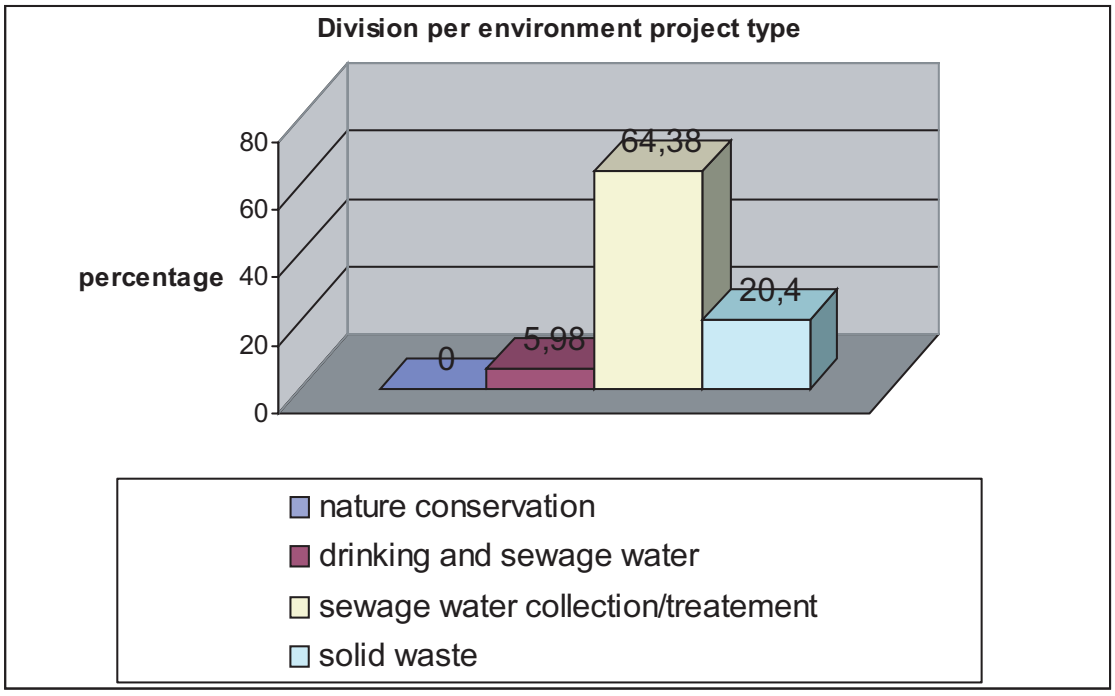
Division among sectors overall:

39 environment projects received more than 45% of the 2000 total ISPA budget and 36 transport projects received more than 51 %.

Breakdown of Spending on Environment:

More than 80% of the Environment budget of ISPA was applied to projects for sewage installations and for water treatment measures. Although we see the need to support funding to enable the accelerated transposition of investment heavy directives, we also see the need for investing in nature protection. Presently, there are no specific provisions for this within ISPA, although according to the priorities this is not to be excluded.

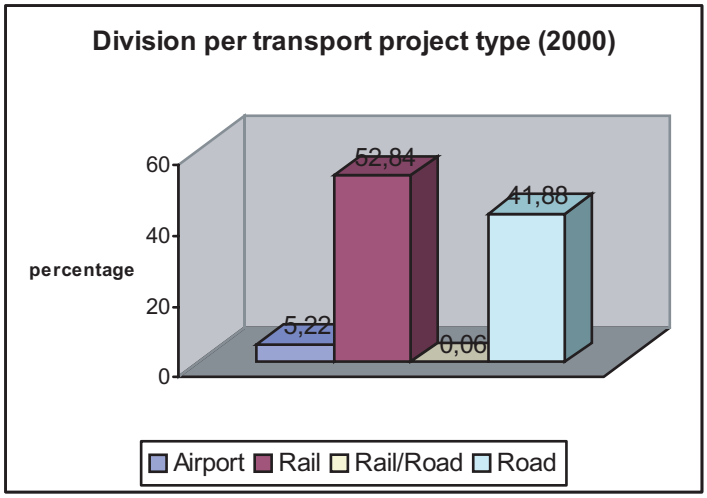
Source: ISPA Report 2000



Breakdown of Spending on Transport:

Rail projects encompassed more than half the budget, which is in line with community policy for transport initiatives.

Source: ISPA Report 2000



Partition per sector

The transport sector receives more than half of the total spending of the ISPA fund. In Lithuania, transport accounts for 65% of the total budget allocated to the country, in Slovakia 72%, and in the Czech Republic it receives 60%. Efforts must be made to ensure that problems mentioned in the ISPA 2000 report concerning poor project identification is overcome. According to this report, more efforts must be made to build capacity at government level to identify appropriate projects. There should be a greater emphasis on supporting capacity building measures to produce projects of a high quality.

5. Benchmarks for the Evaluation of ISPA Funding

Projects funded in 2000

1) Distribution: Environment and Transport

According to the ISPA Regulation, the distribution between the two sectors should be shared equally between environment and transport. However, this has not been the case in some of the countries such as Slovakia. The bulk of funding in the Environment sector is for infrastructure construction. It deals with water supply and water treatment as well as waste treatment. Clearly, the emphasis is on the funding of end-of-pipe solutions with no real analysis of the real causes and therefore of the solutions.

An alternative approach in accordance with the Sixth Environmental Action Plan, however, would focus on supporting the precautionary approach, polluter pays principle, and efforts to integrate solutions into the beginning of the production process. Such moves would ensure the transition to sustainable development.

With regard to water, a more holistic approach as prescribed by the Water Framework Directive is needed. Floodplain restoration could contribute to the alleviation of wastewater problems and thus reduce the need to invest exclusively in wastewater treatment plants. Besides providing a very cost-effective solution for addressing non-point sources of pollution by increasing nutrient retention, floodplain restoration can also provide employment, which in turn would benefit especially the least developed regions. An example of such an approach to sustainable floodplain management practices in the Morava floodplain is given below.

Economic and Environmental Benefits of Floodplain Restoration and Sustainable Management in the Morava River Floodplains, Slovakia

Recent work carried out by the NGO Daphne in Slovakia on the Morava floodplains (Rybanic, Seffer and Cierna 1999) compares benefits derived from restoration and sustainable meadow management of floodplains with arable production and – through utilisation of the substitute market approach – nitrogen removal by wastewater treatment plant construction.

The Morava River is one of the main tributaries of the Danube, extending for some 328 km. Its lower reaches pass through Austrian (right bank) and Slovak (left bank) territory, with the former 'iron curtain' having provided some incidental protection from intensive land use. Nevertheless, of the original 160 km^2 of floodplain on the Slovak side, only about 25% remains, with much of this being under arable agriculture.

Indeed, GIS analysis of historical maps showed that the area of arable land in the functional floodplain had doubled between 1920 and 1999, leading to a corresponding 50% reduction in semi-natural meadows. It was already known that this had led to serious declines in flora and fauna, but it was also suspected that the nutrient abatement value of the floodplain meadows (through cutting and removal of hay 'fertilised' by Morava floodwater) had been impaired.

Research presented by J. Seffer has demonstrated that traditional meadow management[1] in the lower Morava floodplains had an indicative nitrogen retention value of 434 tonnes per year, due to the removal of nitrogen incorporated into plant

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1 i.e. cutting and removal of a hay crop in summer, followed by late summer/autumn grazing, without the use of chemical fertilisers

growth. This is equivalent to the yearly nitrogen production of 216,000 people. The monetary value of the natural nutrient removal by the floodplains is therefore equal to the operating cost of a wastewater treatment plant for a city of 216,000 citizens – approximately 700,000 Euros per year. Moreover, the initial cost of building such a treatment plant would be around 7 million Euros. These conclusions provided a powerful economic argument in favour of meadow restoration, with proposals being developed for restoration of 140 ha of former arable land. Cumulative cost-benefit analyses show an operating profit within three to six years, depending on whether an optimistic or pessimistic scenario is modelled. The overall economic investment required is far below that for conventional water treatment.

In addition, ongoing restoration of the Morava meadows is providing multiple benefits for biodiversity conservation (enhancing the status of habitats and species which have declined across Europe because of conversion of hay meadows to intensive pasture or arable land), flood storage (re-establishment of more natural flood regime) and tourism/recreation (using the attractiveness of the wetland landscape to attract visitors for hiking, cycling etc.) Farmers producing hay from the Morava meadows find a ready market across the border in Austria, where the demand for organic products is not currently satisfied by domestic production.

Source: (Morava River Floodplain Meadows 1999, Daphne)

The above example – based on solid science and careful ecological and social investigations as well as time-consuming participatory work in the field – demonstrates the social and economic as well as environmental benefits of "softer" approaches to resource management and nitrogen polluion abatement. Further examples exist in other accession countries, often driven by creative and progressive NGOs and sometimes facilitated by WWF. Such initiatives provide models for alternative approaches to the deployment of funds such as ISPA – approaches which not only solve short-term environmental problems, but which also support the search for and utlilisation of sustainable management of natural resources.

2) Compatibility with Community policies

According to Agenda 2000, all new investments in the CCs must comply with the EU environmental *acquis*. One of the areas which is causing difficulty is that of the transposition and implementation of the EIA directive. All ISPA projects must comply with the EIA Directive. However, this is difficult as some Candidate Countries have not yet adequately transposed the EU EIA Directive nor worked on beginning the implementation phase. The understanding and the capacity to implement the EU EIA directive in many CCs is not yet in place. Yet even if the country has not transposed or implemented the Directive, an EU EIA must be undertaken before funding for the project can be approved. Here efforts to increase capacity are essential to promoting a better understanding of the requirements of the EU's directive on Environmental Impact Assessments.

3) Approval of projects: Information and Publicity

The process of selecting and processing projects can be divided into different stages. The candidate countries (CCs) must draw up a strategy for ISPA investment based on needs related to the priorities of the funding instrument. An ISPA co-ordinator within each candidate country is selected who usually comes from the Ministry of Finance. This is the main point of contact between the European Commission and relevant Ministries (Environment, Transport and Regional Development). The European Commission still maintains ex ante control over funding, which means that the Commission must approve all implementation decisions before they are executed.

Although this is not specified in the ISPA Regulation, NGOs should have the opportunity to comment on ISPA projects long before the development case is consented NGOs can provide locally held information as well as information gathered through regional, cross boundary and European wide networks. They can help create ownership of the plans, thus supporting implementation, and fulfil a "watchdog" role, assuring government accountability. They are also key to raising public awareness and empowering public responses. Furthermore, NGOs can provide long-term expertise in public involvement and can work towards building a culture of cooperation to handle conflicts and tensions.

4) Too little assistance for nature conservation and sustainable resource use

Given the ISPA priority of "preserving, protecting and improving the quality of environment", there is little evidence of any funding being allocated to fund nature protection measures on the ground. Such measures are not excluded from the scope of the regulation and might include measures to implement the Birds and Habitats Directive, facilitate the process of identifying Natura 2000 sites in the accession countries, or promote the use of ISPA for the implementation of the EU's Water Framework Directive.

6) Lack of Strategic Environmental Assessment – compatibility with other initiatives

It is thus necessary to conduct effective and expansive EIAs for each ISPA funded project. At present there is no additional requirement for a SEA. This could tie the funding of ISPA strategies with other EU policies and funding programmes, both at regional, national, cross border and trans-national level. These SEAs would be the appropriate instrument to define appropriate solutions on the basis of analysis of the real causes of environmental problems. The SEA would thus be the central piece for the identification of projects.

7) Dam construction

In the context of the ISPA priorities in the Regulation ISPA must not be used to fund out-dated forms of water management projects such as on the Vistula River in Poland. For example, WWF sees that the plan to build the Nieszawa dam in the lower Vistula is not sustainable and does not integrate environmental requirements. Nor does it align with several pieces of the EU environmental acquis such as EIA, Birds and Habitats Directives and the EU Water Framework Directive. In this respect, WWF also refers to statements made by EU Commissioner Wallstrom in 2000 in response to questions tabled by the European Parliament and WWF itself during the year. Commissioner Wallström assured that ISPA would not be used to finance the building of this dam, and that alternatives would be investigated.[2]

8) Polluter Pays Principle and other EU Environmental Principles

We found that the ISPA 'environment' projects are focussed on end-of-pipe solutions and are not in accordance with the Polluter Pays Principle nor the EU's commitment to Sustainable Development in Article 6 of the Amsterdam Treaty. This goes against a general change in thinking in the EU and in some CCs concerning who should bear the financial burden of environmental protection. The Polluter Pays Principle, the Precautionary Principle and the Sustainable Development Principle should go hand in hand with a more integrated approach, whereby pollution should be avoided at source.

2 For copy of correspondence with Commissioner Wallstroem and background document see http://www.panda.org/europe/freshwater/newsroom newsroom19.html.

6. WWF Assessment of ISPA

WWF welcomes:

1. The ISPA as a new financial instrument for candidate countries focussing especially on the support of 'investment-heavy' environmental legislation, which acknowledges that implementing the environmental *acquis* will be expensive.
2. That all projects must comply with environmentally sound development as defined by articles 2, 6 and 174 of the Treaty and the application of the Polluter Pays Principle.
3. That ISPA projects pay particular attention to National Parks, Ramsar Sites, Important Bird Areas and Emerald Network Sites.
4. That ISPA can also work as a catalyst for the development of sustainable alternatives, with a small part of the ISPA budget available to fund preparatory studies and technical assistance.
5. In view of its technical assistance component, the possibility of using the ISPA instrument to finance the monitoring requirements for the Water Framework Directive and other measures needed to achieve its objectives in order to contribute to the work of waste water treatment plants and the nitrates Directive in particular in rural areas.

WWF is concerned that:

1) High Minimum Project Scale of 5 Million Euro

Five Million Euro as a minimum is too high for many smaller-scale projects, which could be launched at local or regional level, and be far more effective and efficient in their use of resources and direct impact. Many worthwhile projects are proposed by local government authorities or smaller NGOs, which might be rejected on the basis that the budget, aims and impact is not great enough. Currently, a gap exists between the regional and local level to carry out proper planning, strategic development, public participation and EIAs. Large grants such as those offered by ISPA are not conducive to improving this situation. ISPA with it's 5 Million Euro Minimum does not close the financing gap with exists in many future Member States for the environment. Large projects can be financed by the IFIs, smaller projects through private donors and foundations yet there is a need for financing of projects of the 1-5 Million Euro Size.

2) Contradictory Policies

ISPA funds may support projects which in some cases jeopardise efforts to implement new EU nature conservation legislation. At present, there is not enough co-ordination between different funding instruments and policy, so conflicts arise such as in the Bulgarian Kresna Gorge.

3) Lack of Clarity

Lack of clarity concerning procedures and compliance with relevant EU acquis in particular the EU EIA Directive

4) Nature Conservation

No ISPA funds are being allocated to nature conservation projects, in particular those needed to implement EU legislation such as the Habitats and Birds Directive nor for the sustainable use of natural resources

5) Water Framework Directive Fulfilment

The financial provisions needed to set up the monitoring of programmes and achieve the objectives of the fulfilment of the Water Framework Directive will be high across Europe.

6) Time-scale

The duration of ISPA projects is too short, so CCs do not have the opportunity to prioritise the type of projects which require longer-term funding and which, at the same time, could provide a more "holistic" approach to resolving environmental problems from the "investment-heavy", "end-of-pipe" Directives provided so far by ISPA.

WWF recommends that:

1) The 5 million Euro minimum be reduced to enable smaller projects to be undertaken at a local and regional level which will help to build capacity as well as enable greater involvement of stakeholders such as local authorities and NGOs. The LEADER Programme approach has been successful at developing and managing projects from local action groups formed by members of communities. This bottom-up, cross-sectoral approach should be integrated into the ISPA funding package.
2) It is crucial that the capacity threshold for funding ISPA projects is built amongst local authorities to ensure EIA and SEA are undertaken for all ISPA funded projects. This also relates to the current problem faced by some Accession Countries who have not yet passed the EU EIA and SEA legislation.
3) ISPA be inter-connected to a greater degree with other funding instruments such as Phare (in relation to capacity building at local/regional level) and SAPARD, and that it offer stronger support for initiatives supporting sustainable development.
4) The public be involved in the entire planning process and not only in the finalisation of the project – starting with transparency and information sharing, consultation, joint planning, initiation by stakeholders, implementation and control. Greater access to information on documents and awareness raises about the ISPA application process enabling planning and participation.
5) Nature protection and sustainable use of natural resources be clearly recognised as a priority that is promoted by the funding instrument.
6) Policy dialogue, funding and EU membership incentives to develop and prioritise such longer-term solutions to their water management problems for example.
7) Information on the socio-economic benefits of nature protection and sustainable resource management be provided to the Candidate Countries in the ISPA guidelines.

7. Case Studies

WWF would like to present two examples which underscore some of the points put forward in this briefing document. We hope these examples illustrate how lessons can be drawn from our first experiences of ISPA within the EU accession process and can contribute to its improvement. The first case presents both the construction of the Nieszawa Dam in the lower Vistula and the modernisation of the existing dam at Wloclawek. WWF proposes that ISPA funds be used to fund research into sustainable alternatives, an opportunity the Polish government thus far has not taken up. The second looks at the case of the Kresna Gorge, where ISPA funding is being used both to fund the construction of a road and the investigation into more sustainable alternatives.

Case Study I
Dams on the Vistula – A search for more sustainable alternatives using ISPA funding

The Polish government decided in August 2000 to build a dam in the lower Vistula – one of the last semi-natural rivers in Europe and a very important ecological corridor – at Nieszawa. This dam is supposed to support the existing Wloclawek dam, which suffers from erosion (and therefore prevent a disaster in case of its collapse). Polish NGOs together with WWF and a coalition of other international NGOs have been opposing the development of a dam at Nieszawa for some years. WWF's expert reports conclude that this second dam in the lower Vistula would not solve the structural problems of the Wloclawek dam. At the same time, it would cause very significant damage to the environment and preclude a positive outcome for the sustainable development of the whole Vistula river valley. WWF's experts put forward several alternatives to building the Nieszawa dam which would prevent the collapse of the Wloclawek dam.

The Vistula river in Poland is amongst the most natural of the major rivers in Europe and some stretches e.g. the middle Vistula includes the last remaining examples of dynamic and diverse river and floodplain communities. The middle and lower Vistula are recognised as being core biodiversity centres and ecological corridors of international importance. A number of Landscape Parks and Protected Landscape Areas are already designated along these rivers. The ecological values are reflected in international obligations for the Polish government on environmental protection and management of these ecosystems e.g. the Ramsar Convention on Wetlands and the Bern Convention on the Conservation of European Wildlife and Natural Habitats. The Vistula river and floodplains also sustain vital natural resources and functions e.g. water supply, navigation, power, fisheries, recreation etc. and they have the potential to support sustainable development in the future.

WWF considers that this project contravenes EU Treaty principles and EU environmental legislation obligations such as under the Directives for Environmental Impact Assessment, Access to Environmental Information, Birds and Habitats Directives and the EU Water Framework Directive. It, therefore, breaches the requirement for all new investments in candidate countries to comply with the EU *acquis* as stated in Agenda 2000.

EIA Process

With EU accession come new requirements for investment, amongst these are the need to conduct EU EIAs (Environmental impact assessment (85/337/EEC as revised by 97/11/EC) of all large infrastructure projects. Agenda 2000 states clearly that that "all new investments in candidate countries should comply with the environmental acquis". Commissioner Wallström has repeatedly stressed that this includes procedures for environmental impact assessments identical to those practised in the EU. Currently Member States must ensure that an environmental impact assessment is carried out before approving public and private-sector development projects.

ISPA

On September 19th 2000 WWF and a coalition of NGOs suggested that ISPA be used to investigate more sustainable alternatives to the dam building in order to prevent the collapse of the Wloclawek dam[1]. Various alternative options have been investigated and put forward by this NGO coalition. The first option suggests artificial sediment management as practised in the Upper Rhine for 20 years. The second option proposes the lowering of the water table of Wloclawek reservoir and modernisation of the Wloclawek dam. Furthermore the other options of removing the Wloclawek dam or creating a by-pass channel, so improving the ecological and hydraulic continuum, have not been considered.

This case study shows an example of where ISPA funds can be used to further investigate the alternative options for river engineering projects that follow an approach that has already been superseeded in the EU thanks to the introduction of the Water Framework Directive. WWF believes that the "technical assistance" component under ISPA – as suggested by Commissioner Wallström should be used in such cases.

Case Study II
EU ISPA Infrastructure Development could threaten a Potential Natura 2000 Site: The Case of Kresna Gorge in Bulgaria

The government of Bulgaria is planning the construction of a motorway in West Bulgaria, part of Corridor No. 4 of the Trans-European Network (Budapest – Sofia – Thessalonika). According to the initial plans of 2000, the motorway would run through Kresna Gorge in Southwest Bulgaria – a CORINE site of extremely high conservation importance, which should be included in the Natura 2000 network.

The initial plans envisaged that the motorway would either replace the current two lane road running at the bottom of the gorge, or a terrace would be cut into the rocks on the right hand slope about 30 metres above the existing road. Both options would involve rock demolition and tree logging, detrimental to the surrounding landscape. Kresna Gorge features extremely rich biodiversity, including a number of priority habitat types and species listed in the EU Habitats and Birds Directives, with a high proportion of endemic species. In addition, Bulgaria has the exceptional responsibility to conserve the relict and endemic species living in the area, and the Gorge's unique positioning as a bottleneck site on one of the major bird migration routes in Europe, for birds such as the Via Aristotelis.

1 www.panda.org/europe/freshwater/newsroom/newsroom19.html

The EU Phare Cross-border Co-operation Programme has provided financial support for the motorway plans. The use of EU funds requires that EU legislation should be observed in the project design and implementation, including the EIA Directive, the Habitats and the Birds Directives. This legislation was not observed in the initial motorway plan. Due to this requirement, which would also be a precondition for further potential funding from EC sources (e.g. ISPA), the Government of Bulgaria has agreed to revise the plans in the light of EC legislation.

EIA of the Kresna Gorge Motorway site.

Two preliminary EIA reports have been subsequently undertaken but the Bulgarian Ministry of Environment and Water has rejected both these on grounds of bad quality. The reason for the rejection of both was that only one option was considered for the motorway, i.e. running through Kresna Gorge. The Ministry of Environment and Water returned the reports to the planning company with a requirement to plan alternative routes avoiding the gorge, due to its exceptional conservation value, and to assess them "in equal terms" in the EIA report. After a large-scale information NGO campaign and a question of Eric Meijer MEP to the European Commission concerning the TEN motorways planning through Kresna Gorge, another EIA is taking place using the EU EIA Directive.

Alternative Routes

The planning company is currently investigating three alternatives to the original plan, which are timetabled to be out for public consultation by August 2001. These should all present options avoiding Kresna Gorge and secure the future of the Kresna Gorge's rich biodiversity.

New Protected Area of Kresna Gorge

The Ministry of Environment and Water opened a procedure for the designation of a 'Protected Site Kresna'. This will enable the protection of an area which includes 3000 animal species making up one tenth of of the faunal diversity of Bulgaria – concentrated in an area of only about 10 sq. km. It also contains four priority EC habitat types, mammalian species protected under the Bern Convention, over a hundred nesting bird species, bat species (including EC Habitats Directive priority species) and endemic plant species.

A recent study concludes that the Kresna Gorge is part of the transitional zone between the Mediterranean Subregions of the Palearctic Region and deserves special attention due to the important number of rare, endemic and protected species that appear here (Ministry of Environment and Waters and CEE Bankwatch 2001).