To: Mr. Olli Rehn
European Commission
DG Enlargement
Commissioner

Mr. Stavros Dimas European Commission DG Environment Commissioner

Regarding: Latest update by the NGOs on construction of the Struma motorway and conservation of the future NATURA 2000 Site "Kresna Gorge", Bulgaria.

Dear Sirs,

We are writing to you regarding the latest developments on the Kresna Gorge Case. As we informed the European Commission earlier, a Recommendation 98 was adopted in December 2002 and a "case file" was opened on the issue in December 2004, by the 22nd and 24th Standing Committees of the Bern Convention. The file was opened after a report from Bulgarian and International NGOs, which considered several closely related decisions of the Bulgarian Government directly endangering the Kresna Gorge Site and the possibility for finding a environmentally friendly alternative route for the Struma motorway. These decisions disregarded the status of the site as a future NATURA 2000 Site and the precautionary principle. Significant negative deterioration of species and habitats, including priority ones (habitats with codes from Annex 1 of the Dir 92/43: 91EO*, 92C0 and species from Annex 2: Lutra lutra, Elaphe situla, Elaphe quatorlineata) was allowed. The following decisions directly disregarded the Bern Convention Recommendation:

♦ Decision of the Ministry of Regional Development and Public Works from 2002 to approve without EIA and only based on technical data a motorway alternative through the Kresna Gorge and the lack of reconsidering of these decision next 2 years.

♦ The Ministry of Environment and Waters (MoEW) has stalled the process of creation of the protected area and has officially refused to ensure protection of the Kresna Gorge as a future EMERALD and NATURA 2000 site.

♦ Ongoing parallel destruction of the site – starting from 2003, 8 hydropower plants were permitted in the site affecting directly around 70% of its river and riparian habitats in it. No EIA to describe the impacts on the site from these activities were conducted.

As a result of the open case file (2004) a dialogue between the last Bulgarian Government and NGOs started. Finally on 5 August 2005, after a meeting between the Ministry of Environment and Waters' and representatives of the NGOs Coalition for Kresna Gorge an agreement has been reached to work together for implementation of Recommendation 98 (2002) (see in attachment

official press release of the MoEW). The MoEW guaranteed that it will undertake measures as fast as possible by applying article 45 of the Bulgarian Protected Areas Act to ban construction of previously allowed hydropower plants and after that to enforce establishing of the protected area. NGOs Coalition has informed the MoEW that there is agreement with the local people and authorities in the Municipality of Kresna on proposed borders and regime, which were achieved after long process of consultation. The NGOs declared that they will support the Ministry and will submit all documents relevant for the proclaiming of protected area, resulting from the consultation process, before 20th of August.

Finally nothing of this agreement was implemented. After parliamentary elections new government was approved by the parliament, which brought back the dialogue between NGOs and Government to levels from many years ago.

- The MoEW failed to stop construction of 8 hydropower plants in the Kresna Gorge area and as a consequence the proclamation of the protected area is stopped. It issued an Order for prohibition (NOMER + DATA) of activities in the Kresna Gorge considering only project proposals after the date of issuing of the Order. This is senseless as practically all habitats will be impacted by already allowed projects. During the 3 months after the August's agreement construction of 2 of the hydropower plants started. The investor of one of them near the village Gorna Breznica is a close relative to the soon killed bosses of the company VIS. The second project - "Kresna 1" situated on Strouma river, is financed by Economic and Investment Bank. NGOs requested a meeting with the Bank's chairs but they never agreed despite that the Bank's Credit Unit has been well informed about the problem. Having in mind that the Bank's executive director, Ms. Tzvetelina Borislavova, is the wife of the former General Secretary of the Ministry of Interior (2001 - 2005) and current Mayor of Sofia (since October 2005) Mr. Boyko Borisov, while another Bank's senior official, Mr. Svetoslav Bojilov, is well positioned in the Union of Democratic Forces (a centre-right political party), NGOs considered this as an indicator that political and economical influence in the decision making around activities in Kresna gorge is very probable. Therefore we started an investigation on the origin of investors of all 8 hydro power plants and their relation to the government and political parties.
- On 21st of October after demanding for two and half months a meeting with the MoEW, representatives of the Coalition were granted with a 10-minute official meeting with the new Deputy Minister, responsible for biodiversity issues, Mr. Dardov, to discuss the Kresna Gorge case. Experts from the Ministry were not invited. Mr. Dardov stated that the Ministry doesn't know if it will proceed with the agreed on 5th of August common activities. The last discussed issue was the starting preparation of a new EIA report on Struma motorway. NGOs asked for a meeting, initiated by the MoEW, between the stakeholders to discuss the scope of the new report and future cooperation. Mr. Dardov refused this proposal and suggested NGOs to organize such a meeting on behalf of them.

Conclusions:

 NGOs note lack of real concern within the Bulgarian Government regarding conservation of future NATURA 2000 Site Kresna Gorge.

 NGOs note the obvious political and economical pressure, which overcome the public interests and obligations of Bulgaria to the forthcoming EU accession and especially the public interest in nature protection, environment and sustainable development. • Bulgarian Government practically did not undertake any action for closing of the open case file by the Bern Convention, thus endangering real implementation of the Strouma motorwat project – a priority project under the European Commission Guidelines on Trans-European Transport Network.

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REPUBLIC OF BULGARIA MINISTRY OF ENVIRONMENT AND WATERS

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PRESS RELEASE

On August 5th, 2005 Friday, the Vice-Minister of environment and waters Nikolay Kuyumdgiev and experts from the MEW performed a working meeting with representatives of eight non-governmental environmental organizations, who have undertaken advocacy campaign for the protection of the nature in the Kresna gorge.

At the meeting were present the directors of the National Service for Nature Protection Hristo Bozhinov, Basin Directorate "West-White Sea Region" Krasimira Tagareva and the Regional Inspectorate Environment and Waters, Blagoevgrad – Angel Georgiev.

During the meeting an agreement was reached regarding the responsibilities that each party will take in the process of the natural protection of this territory in line with requirements of both Bulgarian and European legislation.

The representatives of the non-governmental organizations agreed to present as soon as possible the necessary documentation for the recognition of "Kresna gorge" as protected area. The MEW will organize and implement the procedures for the recognition, so as to holding a protected area status, any activities which might harm the biodiversity in the region will be prohibited, including the construction of small hydro-power plants.

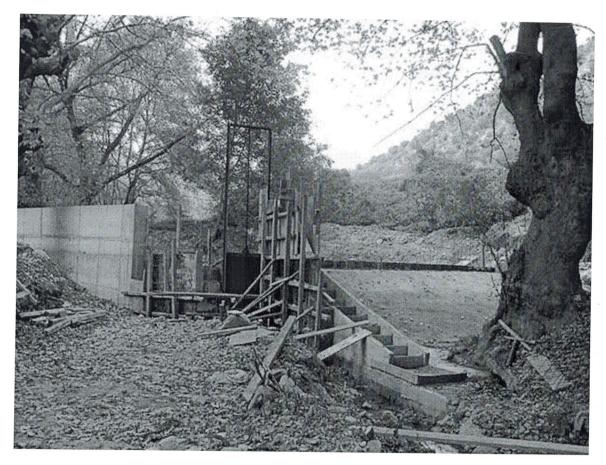
For the period until the "Kresna gorge" is recognized for protected area, the MEW has agreed based on Article 45 of the Protected Areas Act to issue a preventive order to ban any activity in the region, some of which (including the construction of small hydro-power plants) will overlap with the banning regime for such activities in the future protected area.

The reached agreements between the two parties will be included in the reports, which will be sent to the Bern Convention Secretariat (Convention on Conservation of European Wildlife and Natural Habitats), where presented will be:

- the conservation status of the eco-systems of the Kresna gorge;
- the mutual efforts of the government with the non-governmental sector (already undertaken and future measures) for the protection and sustainable development of the biodiversity in the Kresna gorge.

Press centre of the MEW

5 August, 2005



The construction of a hydro-power plant on river Gorna Breznica, Kresna Gorge. Old-growth oriental plane forests surround the construction place (habitat with codes from Annex 1 of the Dir 92/43 - 92C0).

The permission for the construction was given without EIA. The main construction was started after the agreement between NGOs and MoEW to ban the construction of hydropower plants.