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Copies to: OSCE, UNECE, UNEP, OECD, World Bank,  
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Reconstruction and Development, SDC, ADA

Hereby, environmental civil society organisations of the Republic of Moldova and Ukraine appeal to the EU-concerned bodies being guided by the Moldova – EU and Ukraine – EU Association agreements about the profound alarm for environmental future of our countries and the fate of their populations, the poorest in Europe. We also draw the attention of international financing institutions and bilateral organizations to the issue of sustainability of their investments in hydropower sector.

The alarm is based on investment conditions as well as investment planning by Ukraine, which is also partner to the Agreement with the European Union. Therefore, our appeal is supported by Art. 87 paragraphs (a), (c), (e) and (f) of Title IV Economic and Other Sector Cooperation of the Moldova – EU Association Agreement and similar provisions of Art. 361 incl. paragraphs (a), (b), (d), (f) and (g) from Title V of the Ukraine – EU Association Agreement.

As you should be aware, the Dniester River basin - the transboundary watercourse shared by Moldova and Ukraine - has a moderate continental climate with warm and long summers, often droughts and limited water sources being under influence of climate change with a trend towards semi-arid climate. The Dniester River is the major water source in the basin and it is extra sensitive to discharge regimes already regulated by hydropower facilities in Ukraine.

The already constructed by Ukraine hydropower node on the northern border of Moldova seriously deteriorated the functioning of the lower Dniester ecosystems. As a result, Moldova and Odessa Oblast of Ukraine lost a substantial part of ecosystem services that were provided by this transboundary river before the construction of the hydropower node. These damages include:

- lost fish resources and biodiversity;
- weakening of water self-purification capacities due to the deterioration of the river thermal regime;
- silting of the river and lower Dubasari reservoir;
- fewer recreational features of the river;

- impact on microclimate along the river;
- artificial decrease of runoff and water deficit even for potable purposes and irrigation.

The situation is so bad that water hydrology has become a regular subject of governmental agenda in Moldova. Once again, during summer 2015 and spring and summer 2016, the water intake for drinking purposes of Chisinau Municipality (1 million of inhabitants) was threatened to be higher than the river level. This situation would cut off water supply to the capital of Moldova.

The deteriorated hydrological regime has a deep impact on the Ukrainian Dniester Delta, where the richest water and wetlands biodiversity are concentrated. The hydropower facilities impact Ukraine's own nature and its international duties. This worsens the conditions to meet the requirements of the EU Habitats and Birds directives in accordance with the EU-Ukraine Association Agreement signed in 2014.

We would like to draw your attention to the fact that the Ukrainian Government plans to construct at least six new hydro power-plants on the upper mainstream of the Dniester River. The *Program of Hydroenergy Development until 2026* was indeed adopted by the Ukrainian Cabinet of Ministers on July 13, 2016. Ukrainian government plans to attract more than 2 billion USD from IFIs, including European ones, for the implementation of this program. This intention to construct six hydro-power stations on the main stream of the Upper Dniester is also provided by the draft *Governmental Energy Development Strategy until 2035* published for discussions by the Cabinet of Ministers of Ukraine in December 2016, and at the same time the tender on feasibility study on construction of the Upstream Dniester Cascade of Hydropower Stations is announced (cost is 155 mln UHR, equivalent to more than 5 mln USD) was announced by the UkrHydroEnergo Co (*ДК (CPV) 021:2015, code 45000000-7 Civil works*). *Development of design for Construction of Verkhniodnistrovsky Hydropower Cascade. Feasibility Study*).

The activities planned by the Ukrainian Cabinet of Ministers bring clear risks, threatening not only by an ecosystem disaster and damages to the economy, but also by the loss of water for agriculture and for majority of the population in the Republic of Moldova and Odessa Oblast of Ukraine. The Dniester River plays a key role for drinking water supply of about 3 mln Moldovans and more than 1 mln of Odessa population. In conditions climate change and higher frequency of extreme droughts, modification of the hydrological regime due to the implementation of the hydroenergy program will lead not only to a worse situation with drinking water supply, but also to the food safety of this deeply populated region. Indeed, according to the joint scientific estimations realised within the "Framework for Adaption to Climate Change in the Dniester Basin" (OSCE/UNECE/ENVSEC project, 2015), the lower part of the Dniester River basin will be exposed in next decades to progressing droughts, waves of extremely high temperatures and stresses for agriculture and human health.

Up to now, no strategic impact assessment of these intentions and the Program as a whole has been implemented. Moreover, the regional authorities, where such facilities should be constructed, have adopted decisions to not permit such unsustainable activities (deterioration of local nature and river hydrology). Additionally, it should be noted that the Program was not coordinated with the Ministry of Ecology and Natural Resources of Ukraine.

There is no sustainable dialogue between the authorities of Moldova and Ukraine on the above mentioned issues. The treaty between the Government of the Republic of Moldova and the Cabinet of Ministers of Ukraine on Cooperation in Protection and Sustainable Development of the Dniester River Basin was signed in 2012 with support of UNECE and OSCE. However, four years later, Ukraine still has not ratified it. History of inter-governmental relations on this matter

is long and unfavourable: while managing the spring environmental water discharge, Ukraine has constantly neglected environmental issues that strongly influence downstream ecosystems and water quality. Even the dialogue within the frames of the old 1994 trans-border water agreement between these two riparian countries is going with huge difficulties. In general, the creation of the cascade in the Upper Dniester could lead to international conflict with unpredictable consequences, which is not in interest of the EU and it should be prevented on this current stage by political measures.

The organizations of the civil society kindly ask to start appropriate transparent investigation, and in particular, the international Environmental and Social Impact Assessment (ESIA) of the probable cross-boundary consequences of building the new dams and hydropower installations on the Dniester River in Ukraine. The ESIA is requested by all conventions ratified by Ukraine and Moldova: Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Helsinki, 1992), Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 1991), Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar, 1971) as well as the EU Association Agreements. This international ESIA should, of course, favour the participation of the civil society and the population. Before such ESIA is realised, any other activities in implementing the hydropower program should be stopped, including the international financing. At the same time, we ask the EU authorities to help Ukraine to ratify the Dniester River Basin Treaty (Rome, 2012) to start full-scale transboundary Dniester River basin cooperation.

Also, we recommend the European Commission and European investment institutions to clarify their views on further development of hydro energetic sector on pan-European scale, using the integrated approach and wide opened discussion with involvement of all interesting persons and public from the EU, accession countries and Eastern European Neighbourhood.

#### NGOs of the Republic of Moldova

„Codrenii”, village Milesti, Nisporeni, Moldova  
Society of Bioremediation of Aquatic Ecosystems „Eurobiont”, Moldova  
„BIOTICA” Ecological Society, Chisinau, Moldova  
„Eco-Riscani”, Riscani, Moldova  
„Pelican”, Bender, Transdniester, Moldova  
Eco-TIRAS International Association of River Keepers, Chisinau, Moldova  
Urban Ecological Movement, Chisinau  
Ecological Movement of Moldova, Chisinau, Moldova  
„Eco-Lex”, Chisinau, Moldova  
„Ecostrategii”, Chisinau, Moldova  
„Mostenitorii”, Balti, Moldova  
„Viitorul Verde”, Chisinau, Moldova  
„Ecotox”, Chisinau, Moldova  
„Ecosfera”, Chisinau, Moldova  
National Environmental Center, Chisinau, Moldova  
„EcoContact”, Chisinau, Moldova  
„WISDOM”, Chisinau, Moldova  
„BIOS”, Chisinau, Moldova  
„Renasterea Rurala”, Tohatin, Chisinau  
„Esculap”, Chisinau, Moldova  
„Paragon”, Bender, Transdniester, Moldova  
„Turunciuc”, Cioburciu, Transdniester, Moldova  
„Acvavita”, Nezavertailovca, Transdniester, Moldova  
„Ecospectrum”, Bender, Transdniester, Moldova

„Vitality”, Tiraspol, Transdniester, Moldova  
„EKUT”, Tiraspol, Transdniester, Moldova  
„JEEP”, Ribnitsa, Transdniester, Moldova  
„Concordia”, Chisinau, Moldova  
„Media Group Meridian”, Chisinau, Moldova  
„Certitudine”, Chisinau, Moldova  
„Cutezatorul”, Falesti, Moldova  
„Habitat”, Rezina, Moldova  
Development of Tourism Association of Moldova

#### NGOs of Ukraine

Ecological Club „Kray”, Berezghany, Ternopol Obl., Ukraine  
Tourist Club „Khodak”, Berezghany, Ternopol obl., Ukraine  
Tourist Club „Zhukiv”, village Zhukiv, Ternopol Obl., Ukraine  
„Studnia NMaibutniogo”, Berezghany, Ternopol Obl., Ukraine  
„Delta”, Mayaki Village, Odessa Obl., Ukraine  
„Aarhus Information Center”, Berezghany, Ternopol Obl., Ukraine  
„Natural Heritage Foundation”, Odessa, Ukraine  
„V.M. Gontarenko Ecologic Cultural Center”, Mayaki, Odessa Obl., Ukraine  
National Environmental Center of Ukraine, Kiev, Ukraine  
Public Council under Belyaivka regional administration, Odessa Obl., Ukraine  
„Vidrozdennia”, Tatarbunary, Odessa Obl., Ukraine  
„Zelenyi Svit”, Chortkiv, Ternopol Obl., Ukraine  
„Helsinki Initiative-XXI”, Chortkiv, Ternopol Obl., Ukraine  
„Ecoalliance”, Ternopol, Ukraine  
„Zelenyi Zvit”, town Gvozdets, Kolomyia Region, Ivano-Frankivsk Obl., Ukraine  
„Nashe Misto”, Ternopol, Ukraine  
National Environmental Center of Ukraine, Kherson, Ukraine  
“Environment – People – Law”, Lviv, Ukraine  
“Mama-86-Odessa”  
“Black Sea Women Club”, Odessa

The list of supporting this letter NGOs confirm:



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