



Strasbourg, 15 September 2003
[files11e_2003]

T-PVS/Files (2003) 11

CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee
23rd meeting

Strasbourg, 1-4 December 2003

Specific File

**Kárahnjúkar Hydropower Project
(Iceland)**

Report by the Government

*Secretariat Memorandum
Prepared by
The Directorate of Culture and Cultural and Natural Heritage*

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**Information from Icelandic authorities
on the question whether there has been a “global environmental impact assessment”
of the hydropower development policy in Iceland.**

It is not entirely clear what is meant by “global environmental impact assessment” in your letter. We take this to mean whether a strategic environmental impact assessment in the sense of the European Council SEA Directive (2001/42/EC) has been conducted with regard to the hydropower development policy in Iceland. This is a new directive, which is to be implemented by July 2004. The implementing legislation for the SEA Directive is being prepared for consideration by the Parliament this winter (2003-2004). Once adopted, that legislation will ensure that all government plans and programmes specified in Article 3 of the SEA Directive, including energy, will be subject to strategic environmental impact assessments.

In spite of the fact that formal strategic environmental assessment of the energy development plans in Iceland have not been undertaken, it is important to note that the first phase of the Master Plan for Hydro and Geothermal Energy Resources in Iceland is nearing its completion. The Master Plan was initiated in 1999 (i.e. well before adoption of the SEA Directive) as a scientifically based assessment of some 100 potential energy projects (both hydro- and geothermal). Each project is evaluated with respect to its impacts on nature, cultural heritage, alternate land-use potential, economic gain and regional development. The Ministry of Energy in co-operation with the Ministry of the Environment established a 16-man Steering Committee to guide the project, while about 50 experts in various fields have performed the actual evaluation. The process is transparent with access granted to the public and NGOs through regular hearings and an open website run, on behalf of the Government, by an environmental NGO, Landvernd (<http://www.landvernd.is/natturuafli/>).

A decision was made to divide the work on the Master Plan into two phases. The first phase evaluates roughly 40 projects – mostly but not exclusively highland projects – with a total cumulative energy potential of 34,500 GWh/year (This compares to a current total Icelandic energy production of 8400 GWh/year). A few of these projects (cumulative energy potential of 7300 GWh/year) have already been granted permission by law. The first phase is to be published in a report form later this fall (October 2003). The report will rank the projects according to environmental impacts versus socio- economic gains. The second phase of the Master Plan – to be decided once the first phase is completed – is expected to evaluate another 40 projects, mostly smaller lowland projects, with a cumulative energy potential of some 12,000 GWh/year.

Therefore, turning back to the question raised in your letter of 13 May, the Icelandic Government is undertaking significant efforts to assess cumulative environmental impacts as well as economic benefits of the proposed energy development projects mentioned above. However, it should be noted that the legal standing and formal role of the Master Plan in Iceland’s overall energy development policy has not yet been decided on by the Government.