

Joint Letter of Georgian Civil Society Organizations – Namakhvani Cascade

Signatory organizations working on environmental and human right issues are writing to share our concerns regarding the controversial construction of Namakhvani Cascade project with installed capacity 424 MW which is planned to be implemented in western Georgia. We are concerned that despite the scale and declared importance of the project, decision-making and implementation process of Namakhvani Cascade is utterly flawed. Major drawbacks relate to the violation of the fundamental rights of the local population, expected serious impact of the project on the natural and social environment, poor Natural Hazard Risk Assessment, and the objection of the local population towards the project, who despite being affected by the Namakhvani HPPs are neglected and marginalized.

Due to the scale of the project, environmental and social impact of Namakhvani hydropower plants is expected to be extremely high. At least 100 households will have to involuntarily resettle as a result of the implementation of the private project; even more families will be subjected to indirect adverse impact facing the risk of losing significant amount of income as the area represents microzones of unique wines.

It is concerning that the local population was not given meaningful opportunity to participate in decision-making process regarding the project and their voices were not heard by the state. Public hearing of the Environmental and Social Impact Assessment report which was conducted about 50 km far from the project area, did not ensure the adequate involvement of local population, and the questions raised by those who attended remained largely unanswered. To this day government of Georgia continues to ignore the concerns and questions of the affected population and refuses to engage in dialogue with locals. Instead, the state has chosen to employ repressive means and disperse the protest of local residents, who gather to protest the ongoing construction works, by using police force.

Civil society organizations express their fears and concerns as to the technical and ecological soundness of the project. Georgia is geologically very complex area. Therefore, experts contend that geotechnical studies, essential to the construction of power plant, were inadequately carried out. Underestimation of the scale of natural hazards of the area, such as earthquake hazard and landslide hazard in the construction of high dams will increase its vulnerability, which is the matter of national security in the region. Government has issued a positive environmental decision and construction permit notwithstanding the fact that the scale and nature of potential impact of the project on natural and social environment are not properly studied and researched. This is clear from the permits issued by the government that list numerous essential studies and documentation the company has to submit to relevant state agencies. It is problematic that state deemed it

appropriate to nevertheless issue the permits in absent of said documents which should have been the basis of such decision.

We have challenged the legality of the environmental decision at court based *inter alia* on the fact that the decision was made without the company having submitted full studies and in absence of a comprehensive assessment of the environmental and social impact of the project. Although the complaint was brought in April this year, the court has not scheduled a single hearing even a preparatory one. This illustrates that the judicial system is unable to effectively address the challenges related to the administrative decision-making process in energy sector and balance potential missteps of the executive branch. Although a number of essential studies and documentation is not submitted by the company, the construction works of Namakhvani Cascade, an exceptionally large-scale and high impact inducing project, have already commenced.

Regrettably, Namakhvani Cascade project is merely another manifestation of the wider policy of the state in energy sector. Despite of the fact that the European Parliament urged Georgian authorities to develop a robust national energy strategy, increase public participation in environmental decision-making, and ensure the compliance of all hydro power projects with EU standards and norms, the government of Georgia continues to implement energy projects at cost of massive environmental damage and in violation of the fundamental rights of the local population without providing cost-benefit analysis as it is required by the national legislation. The government does not take into consideration guidelines developed with donors' support (USAID, GIZ, UNDP) that aim to apply EU directives and standards in the planning and construction of hydropower plants. The right of the public to participate in an environmental decision-making is not properly exercised and the relevant mechanisms bear merely a formal character. Public access to the environmental information is limited. The decision-making process lacks transparency and casts serious doubts on the motivation behind those decisions. Moreover, the selection process of the developer companies is obscure and not based on transparent predefined criteria. In past, questions were raised by international partners as well; for instance, World Bank has concluded that guaranteed power purchase agreements (PPAs) executed in relation to certain hydropower plants pose a risk to the fiscal stability of the country. Only in Namakhvani case it is estimated to create 631 million USD fiscal cost under the terms of the PPA. This further strengthens the doubt that the public interest is not the primary rationale behind the decisions concerning the construction of large-scale hydropower plants such as Namakhvani Cascade.

We would like to express our appreciation for your endeavors which we consider crucial for the development of our country. We also believe that your effort can significantly assist us, local organizations, to pressure parliament and government of Georgia to elaborate and execute energy policy that will be consistent with international human rights standards and requirements of public interest. Thus, considering the importance and scale of the Namakhvani Cascade project, as well as potential damage it can cause to the social and natural environment, which seemingly cannot be avoided by our concerted effort and active objection of the local population, we request you to take measures available to you in order to introduce these matters in your communication with state institutions of Georgia within the framework of already existing discussion platforms.

We stand ready to provide additional information and documentation you may require in relation to this letter. Furthermore, we would strongly appreciate the opportunity to meet with you to discuss these issues and share our concerns personally.

Signatories:

Human Rights Education and Monitoring Center (EMC)

Green Alternative

Georgian Young Lawyers Association (GYLA)

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