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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee

46th meeting

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Bureau of the Standing Committee

7-9 April 2026

Strasbourg

Stand-by case file: 2021/8

**Possible threat to Rioni River from the Namakhvani Hydropower Project
(Georgia)**

- COMPLAINANT REPORT -

Document prepared by Green Alternative

Ms. Alessandra Siino - Secretary of the Bern Convention
Ms. Marta Medlinska - Programme Manager
Mr. Michaël Nguyen - Administrative and Project Officer

Report on Two Complaints:

No. 2021/08 - Possible threat to Rioni River from the Namakhvani Hydropower Project (Georgia) and No. 2016/09 - Possible threat to "Svaneti 1" Emerald Site (GE0000012) from Nenskra Hydro Power Plant development

DEAR MS. SIINO,
DEAR MS. MEDLINSKA,
DEAR MR. NGUYEN,

We respectfully submit this update report in connection with Complaints No. 2021/08 and 2016/09 and in response to the Bureau's invitation to both parties to submit reports in both files for consideration at the Spring 2026 Bureau meeting. We note that the Bureau indicated that, in the continued absence of evidence linking governance concerns to measurable risks to protected species and habitats, one of the cases may be dismissed. We submit that significant new developments since our July 2025 report not only justify maintaining the two cases on standby, but demonstrate with increasing clarity that the threat to protected species and habitats in the Rioni, Enguri and Nenskra River basins is both imminent and escalating. We believe that many of the risks are similar for both cases, so decided to put them together in one report.

1. Government announcement of additional state support for large hydropower projects

On 30 December 2025, Georgia's Minister of Economy, Ms. Mariam Kvrivishvili, held a meeting with energy sector representatives at which it was confirmed that large, strategic hydropower projects — explicitly including the Namakhvani, Nenskra, and Khudoni HPPs, as well as the Enguri Pumped Storage Plant — are expected to benefit from additional state support instruments. Khudoni is located on Enguri river just between Nenskra HPP and the existing Enguri reservoir (<https://georgiatoday.ge/georgia-to-introduce-new-state-support-measures-for-hydropower-projects/>)

Participant of the meeting, Chairman of GREDA's Supervisory Board, stated publicly that: "During the meeting, it was noted that additional support instruments will be available for large projects that the country and state consider strategic. Specific details were limited, but it was mentioned that such support could involve different tariffs or other forms of state assistance in a memorandum to ensure investment in strategic projects."

Furthermore, it was announced that all accumulated state penalties for renewable energy companies will be waived, amounting to 1 billion GEL, and that private companies will have the freedom to set new timelines for project development. The Ministry of Economy is

expected to present a detailed plan defining future priorities for the energy sector by early February 2026.

These developments unequivocally confirm that the Namakhvani, Nenskra and Khudoni HPPs are theoretical or dormant projects, but the Georgian government is actively preparing to implement them with enhanced financial and regulatory support. This directly contradicts any suggestion that the threat to the Rioni River and its protected species is remote, and it underscores the urgency of maintaining the Bureau's oversight.

2. Environmental permits remain valid

As noted in our previous report, the environmental permits for the Namakhvani HPP — including Environmental Decision N2-191 — remain legally valid despite the termination of the investor's (ENKA) contract. Court proceedings regarding the annulment of this decision continue to be extended. The Nenskra HPP permits are also valid. The combination of valid permits and newly announced state support mechanisms means that the projects can proceed at any time, potentially with less scrutiny than would apply to a new permitting process. The validity of these permits continues, in a context where the government is actively soliciting new investment for the projects, constitutes a concrete and proximate threat to the species and habitats protected under the Convention.

3. The pattern of arbitration losses reveals an absence of strategic environmental governance

Since the submission of our previous report, the full scale of Georgia's mismanagement of hydropower investment has become starkly apparent:

In November 2024, an ICC tribunal ordered Georgia to pay \$383.2 million (now exceeding \$450 million with interest) to ENKA Renewables over the termination of the Namakhvani HPP contract (Lately execution has been paused). https://www.globalarbitrationnews.com/2026/02/13/paris-court-of-appeal-confirms-exequatur-of-icc-award-while-staying-enforcement-to-protect-a-partys-rights-of-a-party/?utm_source=perplexity

On 31 December 2025, Georgia began making payments under a separate international arbitration penalty in favour of Inter RAO, one of Russia's largest public energy companies, totalling \$139 million (including interest), to be paid in seven instalments between December 2025 and July 2028. (https://oc-media.org/georgias-energy-sector-is-leaking-money-into-russian-coffers/?utm_source=perplexity)

Combined, these two cases alone have cost Georgia close to half a billion dollars. Former Member of Parliament and former President of the National Bank of Georgia, Mr. Roman Gotsiridze, has stated publicly that Georgia faces up to \$3.3 billion in potential arbitration liabilities, and that approximately GEL 350 million (\$130 million) was spent solely on legal services for international arbitration disputes between 2016 and 2024.

The relevance of these figures to the protection of species and habitats is direct and demonstrable:

(a) The massive financial losses create powerful political and economic pressure to proceed rapidly with the Namakhvani, Nenskra, and other hydropower projects to justify expenditures already incurred and to demonstrate energy independence. This political dynamic increases the risk that environmental safeguards, including those owed under the Bern Convention, will be subordinated to economic imperatives.

(b) The diversion of nearly half a billion dollars to arbitration penalties directly reduces the financial resources available for conservation measures that the respondent has itself acknowledged are necessary — including, critically, the fishway facility at Vartsikhe HPP, which remains unbuilt and is not scheduled for completion until 2027. This would be a critical infrastructure to mitigate the impacts on sturgeon and other fish species of Rioni river. The Bureau has already expressed concern about the absence of interim safeguards. The complainant submits that the government's financial capacity to deliver on its conservation commitments has been materially impaired by these arbitration losses.

(c) The waiver of 1 billion GEL in accumulated state penalties for renewable energy companies further demonstrates that the government is prioritising the acceleration of hydropower development over regulatory compliance, environmental oversight, and species protection obligations. <https://bm.ge/en/news/georgia-to-write-off-gel-1-bln-in-debt-for-energy-project-investors-under-specific-conditions>

Based on above it is clear that the governance failures surrounding the Namakhvani and /or Nenskra projects are not isolated procedural irregularities, but reflect a systemic inability to manage large-scale hydropower development in a manner consistent with environmental protection obligations. When such a government announces its intention to proceed with the Namakhvani project under conditions of enhanced state support and reduced regulatory penalties, the risk to protected species is not merely theoretical — it is the predictable consequence of a documented pattern.

4. Response to the respondent's position

The respondent has stated on the Namakhvani case that the complainant's allegations do not demonstrate how the project endangers the cited species, and that the project is not located within any protected area or Emerald Network site. We respectfully submit:

(a) The obligation under the Bern Convention to protect species listed in Appendices II and III is not limited to activities within formally designated protected areas or Emerald Network sites. Article 4 of the Convention requires Contracting Parties to take appropriate and necessary measures to ensure the conservation of habitats of wild flora and fauna species, particularly those listed in the Appendices. The Rioni River constitutes critical habitat for Appendix II species regardless of whether it has been formally designated as a protected area.

(b) The fact that the Rioni has not yet been designated as a protected area is itself part of the problem. The draft Rioni River Managed Reserve Law remains unadopted. The government's failure to finalise this protective legislation, while simultaneously announcing enhanced support for a hydropower project on the same river, illustrates precisely the governance deficit that threatens protected species.

(c) The impact of a large dam on anadromous fish populations is not a matter requiring novel scientific proof. Downstream impacts are some of the most extensively documented ecological consequences in hydro-engineering and conservation biology. The burden of proof should not fall solely on the complainant to demonstrate what is already established scientific consensus.

5. In response to the Bureau's specific request, we set out the following chain of causation between the governance concerns documented above and measurable risks to the species and habitats cited in this complaint:

5.1. Sturgeon species and other migratory fish species

The Rioni River is the last major free-flowing river in the South Caucasus and a critical habitat for several sturgeon species, which are listed under the Appendices of the Bern, CMS and Ramsar Conventions and are classified as Critically Endangered. The Rioni and Danube are the most important river in the Bern Convention Sturgeon Action Plan! Enguri river which would further be impacted of Khudoni and Nenskra hydropower plants are constructed, was the other important sturgeon river in the past (with possibilities for partial sturgeon habitat restoration).

The construction of two large dams as part of the Namakhvani project would permanently fragment the Rioni river and change the hydrological and sedimentation regime. These are not speculative risks, but well-documented and inevitable consequences of dam construction on rivers hosting anadromous fish populations.

The Bureau has already noted that the proposed fishway at Vartsikhe HPP has not been constructed and has requested information on interim safeguards. No adequate response has been provided. The resumption of the Namakhvani project in the absence of any functioning fish passage infrastructure on the Rioni represents a cumulative effect that would render the river impassable for migratory species.

The government's own draft Rioni River Managed Reserve Law — which the Bureau has noted — has not been enacted. Proceeding with major hydropower projects on a river for which protective legislation remains in draft form compounds the threat to species that the legislation is intended to protect.

5.2. Cumulative impacts of hydropower development across river basins

The Bureau itself has requested information on how the government intends to address the cumulative impacts of hydropower development across river basins. The announcement that Namakhvani, Nenskra, and Khudoni HPPs will all receive enhanced state support confirms

that the government intends to pursue multiple large-scale hydropower projects simultaneously, without having first completed any cumulative impact assessment or adopted the spatial planning policy recommended by the European Energy Community, contracting party of which is Georgia.

The Energy Community has specifically noted that the National Energy and Climate Action Plan (NECP) of Georgia lacks detailed measures for developing and implementing a spatial planning policy, and that the draft Strategic Environmental Assessment (SEA) does not present comprehensive, reliable, and high-quality information. The government made only superficial and formal edits in response to this feedback. (<https://www.energy-community.org/dam/jcr:f10eeadb-d6e6-4a1c-af1a-13f828d5849e/EnCS%20Recommendations%20draft%20GE%20NECP%20FINAL.pdf>)

The absence of cumulative impact assessments for multiple simultaneous hydropower projects across Georgia's river basins constitutes a measurable governance deficit with direct and quantifiable implications for aquatic biodiversity, including the protected species cited in this complaint.

Moreover, the last biogeographical seminar on habitats and species showed that Georgia needs to declare more Emerald sites on large rivers.

5.3. Conflict of interest and institutional integrity

The appointment of Ms. Elene Ghubianuri — formerly the Government Relations Director at Namakhvani HPP — as the new Head of the LEPL National Environmental Agency raises serious questions about the institutional independence of the body responsible for environmental permitting and oversight of the very project with which she was previously associated.

This appointment is directly relevant to species protection because the National Environmental Agency is the institution responsible for assessing and enforcing environmental conditions attached to hydropower permits, including those relating to protected species. A conflict of interest at the leadership level of this agency undermines the credibility of any assurance that environmental safeguards will be rigorously applied.

5.4. Persecution of scientific experts

As reported in our previous submission, Dr. Tea Godoladze, Director of the Institute of Earth Sciences and the National Seismic Monitoring Center, fled Georgia in January 2025 citing fears of political persecution for her opposition to the Namakhvani project. Dr. Godoladze has consistently warned of seismic risks associated with the dam's construction.

The departure of the country's leading seismologist under circumstances of political persecution deprives Georgia of independent scientific capacity to assess risks to both human communities and natural habitats in the Rioni valley. It also signals that scientific dissent regarding the environmental risks of the project is being suppressed rather than addressed

— a governance failure with direct consequences for the quality of environmental risk assessment.

In light of the foregoing, the complainant respectfully requests that the Bureau:

Maintain the two cases (Namakhvani and Nenskra) on standby and refrain from dismissing it, given the significant new developments on active revival of the large projects with enhanced state support;

Request that the respondent provide a detailed account of:

- The specific environmental safeguards and species protection measures that will be applied in connection with the resumption of the Namakhvani, Nenskra and Khudoni HPPs;
- The status of the fishway facility at Vartsikhe HPP and interim measures to protect migratory fish species;
- The status of the draft Rioni River Managed Reserve Law and the timeline for its adoption;
- Measures taken to address the conflict of interest arising from the appointment of the former Namakhvani HPP Government Relations Director as Head of the National Environmental Agency;

Note with concern the financial pressures created by nearly half a billion dollars in arbitration losses and the announced waiver of 1 billion GEL in penalties, and their potential to accelerate hydropower development at the expense of environmental safeguards;

Consider whether the circumstances warrant upgrading the case from standby to a possible file, given that the threat is no longer hypothetical but reflects an announced government programme with dedicated financial support.

We remain at the Bureau's disposal for any further information or clarification.

Respectfully submitted,

David Chipashvili

Green Alternative

February 20, 2026