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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee

43rd meeting
Strasbourg, 28 November - 1 December 2023

Complaint on stand-by: 2016/9

**Possible threat to Svaneti 1 Candidate Emerald
site from Nenskra HPP (Georgia)**

- REPORT BY THE COMPLAINANT -

*Document prepared by
Green Alternative and CEE Bankwatch Network*

Subject: Complaint No. 2016/9 - Possible threat to “Svaneti 1” Candidate Emerald Site (GE0000012) from Nenskra Hydro Power Plant development (Georgia)

DEAR MS. STICKER,
 DEAR MR. KELLY,
 DEAR MR. HORY,
 DEAR MS. ORSULIC,
 DEAR MS. SAPORITO,

Hereby we send an update by the complainant relevant to the Complaint No. 2016/9 - Possible threat to “Svaneti 1” Candidate Emerald Site (GE0000012). The update is also relevant to Complaint No. 2021/8 - Possible threat to Rioni River from the Namakhvani Hydropower Project (Georgia). We would like to confirm that Nature Conservation Georgia (NCG) is co-complainant in this last case.

1. Large new hydropower plants are part of draft strategic documents

Georgia continued developing its National Energy and Climate Plan (NECP) in 2022. Specific meetings with civil society started in autumn 2021, as agreed under the Namakhvani mediation organised by the Energy Community Secretariat, but despite agreements reached on the meetings (Creating working groups on energy efficiency and energy security revision) the government refused to fulfil agreement and exclude CSO participation from any revision processes lately. As a result, civil society had no participation¹ in the further preparation of the draft NECP that became subject to [Strategic Environmental Assessment](#) scoping process in December 2022. The draft NECP assumes construction of new hydropower plants with total capacity of 324.7 MW until 2024 (ten plants, most of them under construction) and 430 MW of “regulating hydros” to be built between 2024 and 2030:

Objective 1.5: Increase the share of final energy consumption from renewable energy sources (target of 27,4% by 2030)

Description: The JSC Georgian Energy Development Fund (GEDF), managed by the Ministry of Economy and Sustainable Development (MoESD), supports the development of renewable energy capacity by: 1) carrying out preliminary research works, 2) conducting preliminary feasibility assessment of projects, 2) conducting preliminary environmental impact assessments, and 4) finding investors and attracting their interest in existing projects. Until 2024, GEDF will provide support for the following hydro power plants (above 13 MW)[1]:

- [Kirnati](#) - 51.25 MW
- [Khobi](#) - 46.7 MW
- [Mtkvari](#) - 53 MW
- [Mestiachala 1](#) - 20 MW
- [Stori 1](#) - 20.03 MW
- [Samkhuristskali 2](#) - 26.28 MW
- [Metekhi 1](#) - 36.73 MW
- [Ghebi](#) - 14.34 MW
- [Chiora](#) - 14.15 MW
- [Zoti](#) - 44.31 MW


¹ Annual Implementation report for Georgia; November 1, 2022; “The concerns raised by civil society relating to hydropower development projects and public participation in the decision-making process were not addressed and the e-platform aimed at improving the participation process was not established.” Page 14 “Environmental Assessments”; https://www.energy-community.org/dam/jcr:22372b74-4b00-406e-9c6b-34bacc595694/IR2022_Georgia.pdf

Results to be achieved	Regulating hydros:
	2030 – 430 MW
	2050 – 1 GW
	Run-of-river hydros:
	2030 - 230 MW
	2050 - 230 MW
	Total capacity of 5,510 MW in 2050

The NECP is subject to Strategic Environmental Assessment (SEA) but as it includes only one development scenario, it violates not only EU SEA directive² and Georgian legislation but we believe that the government does not even consider exclusion of any hydropower from the final NECP.

2. Svaneti region - Nenskra with valid environmental permit and other hydropower plants started work

The Nenskra hydropower project environmental permit from 2015 is still valid. Besides many changes in the current state of the environment, no procedure to revise or issue a new permit has been started. The loans for the project by the European Bank for Reconstruction and Development (US\$ 214 million) and the European Investment Bank (US\$ 150 million) remain approved, besides the [findings of the complaint mechanisms](#) of both banks that the project violating their own environmental and social policies:



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Nenskra HPP

Location:	Georgia
Project number:	46778
Business sector:	Power and energy
Notice type:	Private
Environmental category:	A
Approval date:	31 Jan 2018
Status:	Approved

MENU

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Impact Assessment (EIA) Directive (2011/92/EU). The project is undergoing an EIA according to national and international standards which also includes public consultation. An environmental permit is expected to be issued by end 2015.

Procurement

In 2012, the Partnership Fund and Government of Georgia entered into direct negotiation with the sponsor K-Water for a 36-year Build-Operate-Transfer type of contract (BOT) that falls under the Concession Operations section of the Guide to Procurement. Further to successful BOT negotiation, the sponsor arranged two open competitive tenders to award i) the electromechanical equipment lot and ii) the construction contract. On 31 August 2015, the three parties signed the implementation agreement (IA) and the project company entered into an engineering procurement and construction (EPC) contract with a reputable company. The Bank will verify that the procurement procedures have been done in accordance with the Bank's Guide to Procurement.

Status

Approved - 6/02/2018

This means that if a new subcontractor for construction works is chosen, construction of the Nenskra project can start anytime.

Meanwhile, according to [the electricity balance sheet of Georgia](#), in 2022 the following small and medium-size hydropower plants (HPP) were operating in Svaneti on the tributaries of Enguri and Nenskra rivers: Nakra HPP, Khelra HPP, Ipari HPP, Kasleti 2 HPP, Lakhami 1 and 2 HPPs, Mestiachala 2 HPP.

² https://www.energy-community.org/dam/jcr:22372b74-4b00-406e-9c6b-34bacc595694/IR2022_Georgia.pdf Annual Implementation report for Georgia; November 1, 2022; “The SEA for the National Energy and Climate Plan (NECP) was initiated, however, the scope of the SEA report, obligatory by Article 5(4) of the SEA Directive and a critical phase in preparing the SEA report, was not determined despite that the draft was updated after the NECP’s public consultation meetings in March 2022”

3. One more year without adopted legislation and protected areas for rivers

As written in the [Government report](#) from 2022, the draft Law of Georgia on Water Resources Management was prepared by the Government and submitted to the Parliament of Georgia on 15.11.2021 for consideration and subsequent adoption. Unfortunately, more than one year later, up to January 2023 it has not been approved. Up to now, the new Biodiversity Law has not been approved either.

The Rioni managed reserve, for the protection of the spawning site of sturgeon species - also was not established either as a protected area (IUCN category IV). In December 2022, Racha National park was established, but Rioni river and its tributaries are outside of this protected area.

4. Emerald Network progress but not for large rivers and excluding civil society

We would like to congratulate the authorities for the work on the development of the Emerald network and the progress in 2022 leading to the adoption of many Emerald sites. Unfortunately, as expressed by us last year, this has not improved the situation with protection of large rivers, as they are almost completely excluded from the network and out of 13 freshwater habitats of concern, 8 are insufficiently protected.

We have not been contacted by the Government regarding management plans of Emerald sites or other work on the development of the network. None of this work has been made public, besides funding by the Swedish Government, as claimed in the Government report from 2022.

No river basin management plans in accordance with the EU Water Framework Directive have been adopted yet and for the Enguri/Nenskra and Rioni basin there is no public information even about starting work. These plans should be subject to Strategic Environmental Assessment but no procedure has been initiated yet.

As a result, large rivers continue unprotected and there is complete lack of strategic planning for hydropower development in Georgia.

Best regards,

David Chipashvili - Association Green Alternative – Complainant

Andrey Ralev – CEE Bankwatch Network – Biodiversity expert