Strasbourg, 1 August 2024 **T-PVS/Files(2024)65**

CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

_____

Standing Committee

44th meeting
Strasbourg, 2-6 December 2024

_____

Bureau of the Standing Committee

10-12 September 2024
Strasbourg

Complaint on Standby: 2021/08

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

-COMPLAINANT REPORT-

Document prepared by
Green Alternative, Nature Conservation Georgia, CEE Bankwatch Network

Mr. Mikaël Poutiers - Secretary of the Bern Convention
Mr. Marc Hory - Project Manager
Mr. Michaël Nguyen - Administrative and Project Manager

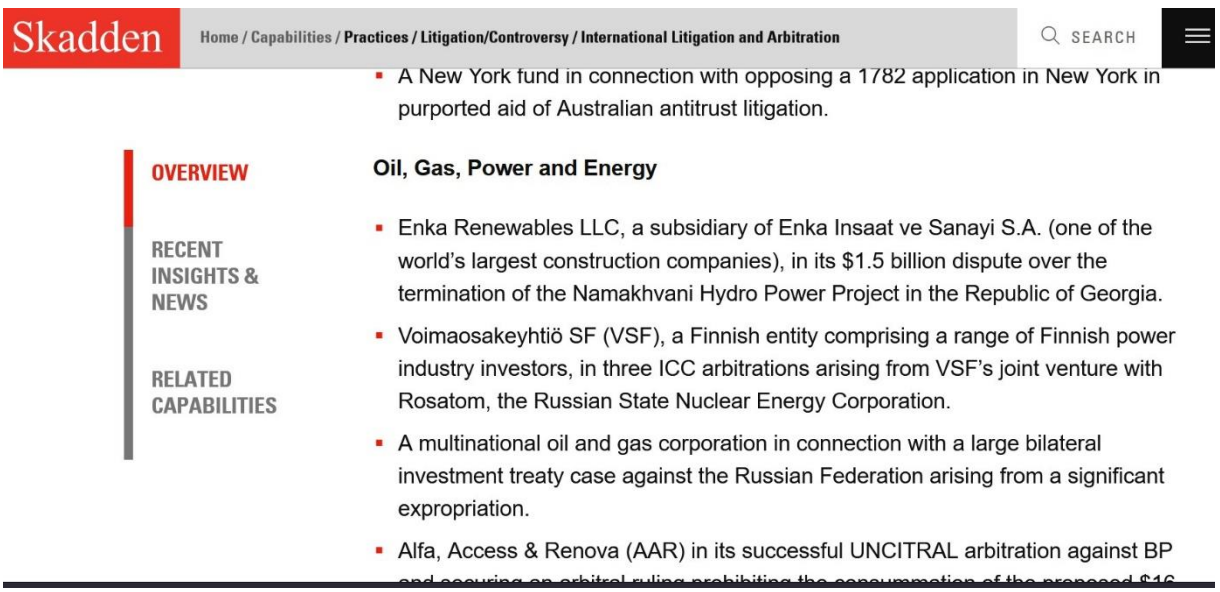
Subject: Complaint No. 2021/08 - Possible threat to Rioni River from the Namakhvani Hydropower Project (Georgia).

DEAR MR. POUTIERS,
DEAR MR. HORY,
DEAR MR. NGUYEN,

Hereby we send an update by the complainant relevant to the Complaint No. 2021/08 - Possible threat to Rioni River from the Namakhvani Hydropower Project.

Arbitration over the termination of the Namakhvani project

Enka Renewables LLC, a subsidiary of Enka Insaat ve Sanayi S.A. (one of the world's largest construction companies), is represented by Skadden law firm in its $1.5 billion dispute in an international court over the termination of the Namakhvani Hydro Power Project in the Republic of Georgia. We are not aware why the claim is for this sum when the project cost was estimated at $730 million on the EBRD website.



Printscreen from the Skadden website showing the firm's engagement in the arbitration, retrieved 30 July 2024

Environmental and other permits still valid

While the contract between Enka and the Government of Georgia was terminated, the permits for the project are still valid and the authorities have claimed that it can be built with money from the budget. This is in violation of the decision of the 2023 Autumn Bureau: "*It urged the government to prioritise nature protection and fully cancel the projects.*"

The court procedures on an annulment of Environmental Decision N2-191 remain ongoing one year more.

Protests in the Rioni valley

For the last four months, the movement Save the Rioni Valley and local residents have led a protest demanding that the authorities organise a safe road. They have put up tents and blocked the construction of a large high-voltage distribution station, because neither the local nor the central government has taken any action or even responded to whether the rehabilitation of the Rioni Valley road is planned.

"*The Namakhvani HPP cascade construction project is the primary reason why the Rioni Valley road is not being built, and why the villages of Zemo Imereti and Lechkhumi are deliberately left off the map. The government believes that if fewer people remain in this valley, they will face fewer problems with the construction of the hydroelectric cascade if they attempt it again*," say local residents.



Rioni valley road after Namakhvani construction was abandoned. Source: Georgian News

National Energy and Climate Plan (NECP) with many flaws according to the Energy Community

The draft NECP was submitted by the authorities of Georgia to the Energy Community Secretariat on 21 July 2023. The Secretariat provided comments until the end of 2023 and required Georgia to take due account of any recommendations from the Secretariat in their final NECP to be submitted until 30 June 2024. If the Contracting Party concerned does not address a recommendation or a substantial part thereof, it shall provide and make public its reasons.

On procedural aspects the Secretariat recommended among other things: "*Focus in the draft SEA report on the presentation of comprehensive, reliable, and high-quality information, distinctly outline measures to address potential significant impacts and include a robust monitoring plan. Conduct a thorough and comprehensive evaluation of the cumulative impacts resulting from the hydropower development, taking into account the specific considerations related to river basins.*"

One of the main observations is: "*Even though the total installed electricity generation capacity is expected to increase by 35% by 2030 compared to 2022 (mostly driven by in hydropower in the WEM scenario and by wind and solar in the NECP scenario), there are no detailed measures to develop and*

implement spatial planning policy facilitating the designation of suitable areas for renewables in line with the "do no significant harm" principle."

Until 30 July 2024, we are not aware of a final version of the NECP, but obviously the draft version has overreliance on new hydropower. As we reported a year ago, the draft NECP includes construction of Namakhvani HPP.

Part of Rioni river delta protected, but threats to sturgeons in Rioni remain:

In July 2022, the government added part of the Rioni river delta to Kolkheti National Park. The newly protected areas add just over 670 hectares to the park's existing 45,000 hectares. This is a step forward in the protection of sturgeons, but the most critical habitat - the sturgeon spawning grounds, remain unprotected. The 670 hectares nor other parts of Rioni are not added to the Emerald Network yet as seen in the Emerald Viewer.

In December 2023, an article was published about Genetic Evidence for the Presence of Wild-Caught Sturgeons in Commercial Markets in Georgia. The results suggest that wild sturgeon populations may still be exploited to support captive aquaculture programs and commercial sales. This is a direct result of the lack of protection of sturgeons in Rioni river - the only wild spawning ground in Georgia.

The second meeting of the National Focal Points for the Pan-European Action Plan for Sturgeons took place from 10 to 11 June 2024 in Strasbourg. The Georgian National Focal Point informed participants that a National Action Plan was still pending. A mapping of rivers had been undertaken which revealed that sturgeons were spawning only in the Rioni river. A monitoring programme was prepared. A cooperation platform had been set up. The National Species Recovery Plan was in development. The planning for the establishment of the Rioni protected area was ongoing.

Concerned about the lack of protection of sturgeons, other fish species and large rivers leading to insufficiency of the Emerald Network in Georgia in the Alpine and Black Sea biogeographical regions, aware of the lack of strategic planning for hydropower development in Georgia, aware of the possibility to resume the construction of Namakhvani hydropower project, we call for the cancellation of all permits of the project and protection of the whole Rioni river in the Emerald Network.

Best regards,

Mr. David Chipashvili – Complainant

On behalf of Green Alternative, Nature Conservation Georgia, CEE Bankwatch Network