

# Project Complaint to PCM

**Date/Time**

27/09/2019 12:32

**Name/Organisation**

National Trust of Georgia

**Address**

[REDACTED]

**Country**

GEORGIA

**Phone number**

[REDACTED]

**Email**

[REDACTED]

**Is there a representative making this Complaint on behalf of the Complainant?**

No

**If yes, please provide the Name and Contact information of the Representative**

n/a

**Are you requesting that this Complaint be kept confidential?**

No

**If yes, please explain why you are requesting confidentiality**

n/a

**Please provide the name or a description of the EBRD Project at issue.**

Kversheti-Kobi

**Please describe the harm that has been caused or might be caused by the Project.**

Kvesheti-Kobi road and tunnel, up the Khada Valley.

**Background**

The Asian Development Bank (ADB) and European Bank of Reconstruction and Development (EBRD) are proposing to fund the construction of a road and tunnel through one of Georgia's most beautiful and historic valleys - Khada, next to Gudauri, in the high Caucasus. The National Trust of Georgia (NTG) sent a series of questions about it, following an unsatisfactory meeting of stakeholders in June 2019.

**Summary of the bank's response – Sept 2019**

The essence of the banks' 1200 word response came as a new 7 page supplementary report (dated July 2019) entitled 'Assessment of Alignment Alternatives.' Unfortunately for Georgia's future, its history and tourism, this completely ignored the main point of the NTG's 19th July letter – the assessing of alternative routes, particularly the named Lakatkhevi valley - the next one down from Khada. It confirms what was conveyed by the Banks' IDOM consultant at the Tbilisi meeting – that this similar, very viable, possibly even cheaper, but non-historic valley, was never considered from the start.

This only provides further proof of the marked lack of due diligence by the banks in this project. It reveals a lack of preliminary research and thus an inaccurate briefing of the Georgian government's Roads Departments, leading to a misguided choice of routes and Environmental Impact Report (EIA).

Without proper pre-research and analysis it is impossible to make such an important judgement affecting Georgia's future and long term identity. It would also stop an important part of its heritage being ruined in perpetuity.

*This criticism is further bourn out by the fact that the bank's tourism report will only be commissioned after the route was decided. As if tourism was never seriously considered – again explaining why the wrong valley has been chosen.*

#### **CONCLUSION**

*As a result of the above, the NTG asks that the Banks put the project on hold until due diligence is made and a proper, independent assessment completed complying not only with international standards, like the Council of Europe Framework Convention for Society, but also Georgia's indigenous travel industry. The NTG would like to point out the Banks have it in their power to create the needed road and tunnel in a different valley, as well as promote eco-tourism in Khada. This would be a win-win situation, instead of continuing to pursue a serious mistake that would permanently damage Georgia's historic fabric and be regretted for years to come.*

**Have you contacted the EBRD to try to resolve the harm caused or expected to be caused by the Project?**

Yes

**If yes, please list when the contact was made, how and with whom**

With [REDACTED] by email, conference call, on many occasions. Most recent letter, 21st Sept 2019.

Please contact [REDACTED] for full list.

**Please also describe any response you may have received**

*The Bank finally sent a response to our 20 questions following the unsatisfactory Stakeholder's meeting in June. Below are just a few of our further queries/bebuttals of these answers. The most significant concerns the alternative Lakatkhevi valley - which was never considered. We enclose our points to this below.*

#### **SOME of the INACCURATE STATEMENTS in the BANKS' ANSWERS**

1. *'...a presentation by the consultants was arranged and held in Tbilisi in June 2019 where a clear rationale for the final alignment selection was made.'*

*Unfortunately the rational was not made clear at all to those present – to the degree that the NTG had to write a supplementary letter containing 20 questions. Many of these still remain either not addressed at all or inadequately answered.*

2. *'...the Project road will significantly enhance this potential, particularly for the valley to be a year-round tourist destination, supporting potential income generating opportunities for both local communities and tourism firms active in this region.'*

*If so, why are Georgia's tourism firms asking for its abandonment – see the collective letter from the Georgian Incoming Tour Operators Association? Also why was this crucial element in the nation's future economy (Georgia's tourism industry) not consulted from the start? The 'year round' road tourism offered by the new highway is already available in numerous other areas nearby, including Gudauri - directly adjoining Khada. To develop road tourism instead of this rare eco-tourism opportunity in one of Georgia's most historic valleys, is to badly misidentify the country's strongest current asset for future income generation.*

3. *'To further investigate this tourism potential a dedicated study will be commissioned.'*

*By commissioning a tourism report only after the route was decided, hugely restricts its scope, and demonstrates a clear lack of due diligence. The topic should have been considered in the pre-decision stages. No mention was made in the EIA of the huge summer and autumn tourism potential for the neighbouring Gudauri ski resort and its empty 5000 beds. The new report will be way too late and forced to consider only the road-tourism option, when Khada is so perfectly suited, indeed thrives today, on eco-tourism in the style of the Swiss/French/Austrian ski-resorts.*

4. *'...[road] alignment was finalised so as to minimise direct impacts on cultural heritage sites.'*

*This is not only inaccurate, it is an example of more significant gaps in the bank's research and assessment. By far the best way to minimize the effects on the numerous cultural heritage sites in Khada is to build the road in a different valley. By placing this noisy, polluting, main road just metres away from graves in the valley's cemeteries and still very active church, makes minimization both impossible and irrelevant.*

5. *'Only six (6) cultural heritage sites are located within 50m of the right of way (RoW).'*

*Six is a lot, in an effective, 5km section of road. • Also the statement isn't true. There are more, including the most important, Bakot Kari church cemetery. The Banks' map claims it is 62 metres from the cemetery. In fact the road cuts right through the cemetery's fenced curtilage and directly confronts the cemetery funeral feast area. This is a direct affront to the locals who use them and has generated a sense of disillusion and mistrust in the community. • Why not choose a route that has no cultural heritage sites affected? The next valley down...*

6. *'The EIA reviewed the significance of the identified cultural heritage sites under the national and international regulatory frameworks.'*

*It did not. International regulations say that the setting of a cultural heritage monument is vital to be preserved as well as the monument itself. (UNESCO guidelines). Further proof is below.*

7. *'Table 43 refers to the Council of Europe Framework Convention on the Value of Cultural Heritage'*

*In fact it only lists, then directly contravene it - see below. The banks seem to be actively encouraging the Georgian government to break its own signed and ratified agreement with the Council of Europe (coming into force 1st June 2011). The same is true for the Council's European Landscape Convention – to which the Georgian government is party and is completely omitted from the EIA. The below articles are taken from the Council of Europe Framework Convention on the Value of Cultural Heritage for Society'*

*Article 4 - Rights and responsibilities relating to cultural heritage e • The parties undertake to promote cultural heritage protection as a central factor in the mutually supporting objectives of sustainable development, cultural diversity and contemporary creativity*

*Article 10 - Cultural heritage and economic activity • In order to make full use of the potential of the cultural heritage as a factor in sustainable economic development, the Parties undertake to: b • take into account the specific character and interests of the cultural heritage when devising economic policies; and ensure c • that these policies respect the integrity of the cultural heritage without compromising its inherent values Below is an extract from Article 5 of the Council of Europe's European Landscape Convention – to which Georgia is also a signatory Article 5 – General measures Each Party undertakes: to recognise landscapes in law as an essential component of people's surroundings, an expression of the diversity of their shared cultural and natural heritage, and a foundation of their identity; to establish and implement landscape policies aimed at landscape protection, management and planning through the adoption of the specific measures*

*PLEASE NOTE - the Council of Europe have been contacted.*

## **CONCLUSION**

*As a result of the above, the NTG asks that the Banks put the project on hold until due diligence is made and a proper, independent assessment completed complying not only with international standards, like the Council of Europe Framework Convention for Society, but also Georgia's indigenous travel industry. The NTG would like to point out the Banks have it in their power to create the needed road and tunnel in a different valley, as well as promote eco-tourism in Khada. This would be a win-win situation, instead of continuing to pursue a serious mistake that would permanently damage Georgia's historic fabric and be regretted for years to come. The Lakatkhevi Valley – potential route We estimate the main tunnel would need to be 500 metres longer than the Khada route, but the rest of the development would be considerably easier and cheaper. Following our investigations this potential route for the road is by far more suitable because the valley is –*

1. *Uninhabited, save for a few houses right at the beginning and a high altitude village far away from any potential road. Khada has a significant population. All will be disturbed. We have yet to find any who, when the road is fully explained, want it.*

2. *Has no historical monuments, save one tower at the beginning - easily avoided. Khada has 60 tower sites alone, many still standing.*
3. *Has no churches, just one small chapel and cemetery near the beginning – easily avoided Khada has two significant churches, one to the Archangel at Bekot Kari, much used. The road runs directly through its cemetery.*
4. *Requires no tunnelling. Khada has four tunnels (excluding the main one)*
5. *Requires only minor bridging Khada has three bridges, two will be among the largest in Georgia*
6. *Requires almost no compulsory land appropriation Khada has a significant amount and is already causing disputes*
7. *Starts before Kversheti, therefor would completely avoid all the current land compensation disputes and expenses. Many Kversheti villagers are already in dispute with the Roads Department.*
8. *The road section would be roughly the same length as the Khada road.*
9. *The main tunnel entrance would be roughly the same altitude as Khada's*
10. *The main tunnel would avoid the volcanic cone completely. The Khada alignment cuts very close into the mantle.*
11. *The Lakatkhevi route is fully treed the whole distance on both sides – indicating a significantly diminished risk of landslides and avalanches. The Khada route runs through several bare mountainsides with known avalanche risks*
12. *Building the road up Lakatkhevi would not destroy Khada as a favourite hiking, horse and bike riding venue for ever.*
13. *Would allow Khada to be preserved and developed as Georgia's prime eco-tourism valley, with easy access to Tbilisi.*
14. *Would greatly assist the hotel business economy in the Gudauri ski-resort, allowing more to stay open the year round*
15. *Would enhance Georgia's tourism presence long-term in the eyes of the world.*

**Have you contacted the Project Sponsor to try to resolve the harm caused or expected to be caused by the Project?**

Yes

**If yes, please list when the contact was made, how and with whom**

*We have contacted the Georgian Roads Department only indirectly. We have had a meeting with the Department of Tourism back in June.*

**Please also describe any response you may have received.**

*We have had no response (Tourism Department) and a rebuttal from the Roads Department at the June Stakeholder's meeting at the ADB headquarters. When asked if they (the Roads Department) would consider a new route for the road if the Bank's Tourism Report recommended it, the Roads Department Deputy said 'No, because tourism analysis was already covered in the EIA.' We strongly contest this - as can be seen in our previous communication with the Banks. As a result, the Banks say they are now going to commission their own Tourism Report. We say what is the point, when the route is already decided and the money pledged (from the ADB). The whole possibility of eco-tourism in Khada will be ruined by the road.*

**If you have not contacted the EBRD and/or Project Sponsor to try to resolve the harm or expected harm, please explain why.**

n/a

**If you believe the EBRD may have failed to comply with its own policies, please describe which EBRD policies.**

*The Banks have not conducted due diligence in this project. The EIA contains numerous mistakes, serious omissions and a serious lack of research. The Bank is already familiar with our points. Note if you require further information/documents regarding this complaint, please consult our website [www.nationaltrustofgeorgia.org.ge/landscape](http://www.nationaltrustofgeorgia.org.ge/landscape)*

**Please describe any other complaints you may have made to try to address the issue(s) at question (for example, court cases or complaints to other bodies).**

*The Green Alternative Georgia organisation - who we support in this issue - have launched a court challenge against the Georgian Ministry of Environmental Protection and Agriculture acceptance of the Bank's final EIA, this spring. The initial hearing was due to be held yesterday (26th October), but it was postponed until the 26th November, last minute.*

**Are you seeking a Compliance Review where the PCM would determine whether the EBRD has failed to comply with its Relevant Policies?**

Yes

**Are you seeking a Problem-solving Initiative where the PCM would help you to resolve a dispute or problem with the Project?**

Yes

**What results do you hope to achieve by submitting this Complaint to the PCM?**

*A re-routing of the road under the Jvari pass - avoiding Khada valley.*