

To: Project-Related Grievances and Complaints Body
European Bank for Reconstruction and Development

From: Rabati Settlement of Makhalakidze Village
Shuakhevi Municipality of Georgia

COMPLAINT

We wish to file an official complaint relating to Shuakhevi Hydro Power Plant (HPP), which has been financed with Financial Support Facility of the European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB) and International Finance Corporation (IFC). According to the initial plan, project should have been financed if and when requirements were met under the Environmental and Social Policies of the referred International Financial Institutions (IFIs).

In August 2017 we communicated with managements of the IFIs in writing in relation with Shuakhevi HPP Project (covering Zemo Adjara, Khulo and Shuakhevi Municipalities) to seek their response to the threats born by the project that put the existence of our village under a question mark.

Unfortunately, our letter had no follow-up from the managements of either the company, or the banks, as a result of which we decided to file the present complaint.

As we are aware, 187 megawatt capacity of Shuakhevi HPP is funded by your Banks. Hence, project implementation should have followed if complying with your Environmental and Social Standards.

Shuakhevi HPP Project implied the construction of two cascades (39 meters high in Didachara and 22 meters high in Skhalta), along with several derivative tunnels (three tunnels: 5.8; 9.1 and 17.8 kilometers) at various inflows of Adjaristskali River, including the area in the vicinity of our village. Construction works were to be implemented by deploying the drilling and explosion methods. This issue has been raised at numerous occasions and different meetings, though company officials were assuring us that hits would be so insignificant that we would not even feel them. Moreover, company has signed a Memorandum of Understanding (MOU) with our village in 2014, according to which it committed to compensate for the damages, if materialized.

Construction works were performed by Adjaristskali Georgia LLC without even considering such problematic issues as safety of local population, harm caused to local nature and social conditions, intensified landslides (stone and rock falls), impact on the drinking and irrigation waters, impact on the river basin, changes in the micro-climate of the village, reduction of water in the river bed to only 10%. Company later completely ignored the emerged problems and refuses to deliver its commitment.

Plenty of meetings have been held on this topic with government officials, company representatives and Ministry of Energy of Georgia. They were all in vain. No response followed on the letter sent to the managements of the Banks in August.

Construction of the project has been completed and it left no drinking water in the village; rock falls have been increased, thus threatening the life of local population; landslides have become intensified;

trout and other species of fish protected under the IUCN Red Data List of Threatened Species have disappeared from the local river; crops have dropped in volumes; it has become practically impossible to live and exist in the village.

Within the past two years geologists from various public institutions have studied the issue and produced their expertise opinion on the alarming situation in the village, which were caused by the drills and explosions performed in the village in particular and intensified geologic processes in general.

As a result of the current geologic condition, Government of the Autonomous Republic of Adjara has offered us 25000 (twenty five thousand) GEL instead of making the company assess the losses and pay a compensation in line with international standards, as elaborated in Clause 2.7 of the MOU concluded with our village in 2014.

It should be noted that construction works were launched without detailed geologic studies and no risk mitigation measures were ever defined. We believe this to be a grave violation of the Environmental and Social Policies of your Banks and the main reason for the current alarming condition in our village.

Considering all the aforesaid, we demand the assets held by the residents of Rabati Settlement to be inventoried and respective compensation packages to be defined on an individual basis – in full compliance with the requirements of the IFC.

Hereby, we wish to note that the company refuses to assume responsibility and to inquire into the real reasons of the calamity. Hence, we request the Banks to study to what extent does the Shuakhevi HPP Project, its Environmental and Social Impact Report and actual works comply with the requirements of your Environmental and Social Policies. We believe that a good number of issues (geology, social, etc.) were ignored in the project, thus leading to the current damages.

Respectively, we request the project-born problems to be addressed on the one hand and project compliance analysis with your Environmental and Social Standards on the other hand.

Most Respectfully Yours,

Signatures

List of full names, personal identification numbers, phone numbers, e-mails and signatures.

09-02-2018