

To:

Ms. Anoush Begoyan

PCM Officer

Project Complaint Mechanism

European Bank for Reconstruction and Development

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Subject: Complaint on Tbilisi Railway Bypass Project (Georgia),

2 March, 2011

Dear Ms. Begoyan,

We would like to submit this complaint regarding the Tbilisi Railway Bypass project (approved by the EBRD board on March 9, 2010<sup>1</sup> and signed on March 17, 2010<sup>2</sup>) regarding the inadequate appraisal of social impacts and mitigation measures on local people of Avchala in the final version of Environmental and Social Impact Assessment (ESIA) and Environmental and Social Action Plan, that will have a significant negative impact on the value of our property, and on our safety and living conditions.

According to the final ESIA of the project in order to avoid the transit of hazardous freight such as oil and oil products through the middle of the city for safety reasons it is planned to construct a new section of the railway route bypassing the city centre, part of which will be located in the densely populated Avchala district.

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<sup>1</sup> The EBRD approved 100 million EUR for the project: <http://www.ebrd.com/pages/project/psd/2009/40173.shtml>

<sup>2</sup> Originally together with the EBRD, the European Investment Bank (EIB) also planned to finance the project. On April 13, 2010 the EIB approved 100 million EUR for the project. However, several months later the Association Green Alternative was informed by the EIB that the Bank cancelled its participation in the project following a request by the Georgian Railway Company.

While the main goal of the project to improve safety within the city of Tbilisi is welcome we are concerned about our own safety: The projected railway will pass near our property located only 30-150 metres away along the projected railway route. In addition because of the hazardous freight the project will deteriorate living conditions in this area (smell, vibration, noise) and as a result it will cause depreciation of our property value (the value of our property has already decreased more than 3 times because of the project).

#### Communication with project sponsors

Before approaching the EBRD we made several attempts to solve our problems with the Georgian Railway Company, the project consultants and the Tbilisi City Hall but we found it extremely hard to even meet with them and discuss our problems. All our efforts to obtain information about the project or its components such as for example the exact out of the planned railway route in Avchala district failed (We did not receive either any letter from the Georgian Railway Company and Tbilisi City Hall or they even did not meet with us). As a last resort in December 30, 2010 when preparation works started we sent a collective letter to the EBRD in which we described our concerns regarding the project and asked for detailed explanations. On January 6, 2011 because of our letter to the EBRD we managed to meet with representatives of the Georgian Railway Company where the problematic issues were discussed. Unfortunately the results of the meeting were quite vague: on one hand the Georgian Railway Company stated that they had hired another consultant company, "GAMMA", who would study these issues but on the other hand they refused to change anything in the project design, thus the problems for us remain unsolved. If they are not going to change the design of the route then it is unclear what will change in the new project that this new consulting company is preparing). On January 13, 2011 we sent another letter to EBRD (E-letter was sent to the representative of the Georgian Railway Company too) asking for a response in written form to our 30 December letter but we did not receive any written explanations.

Below we would like to describe our problems in more detail:

#### Safety of local population

According to the final ESIA of the project the Georgian Railway Company plans to construct a new railway section through the densely populated Avchala district using 18-20 metre high embankments without adequate safeguard measures. In case of accidents there are no adequate safeguard measures - this was also mentioned in the requirements of the environmental permit issued by the Ministry of Environment of Georgia on April 22, 2010.

In case of an accident, the destruction radius will be at least 100 metres and the relief of the area is hilly. However making one additional artificial hill (a high embankment with a height of 18-20 metres) for the project closing the only exit road for the locals<sup>3</sup> (alternative communication sources were not determined in the final ESIA), making the situation even worse from the evacuation point of view.

At the same time, the underestimation of safety issues violates PR 4 (point 7) on Community Health, Safety and Security of the Environmental and Social Policy of EBRD:

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<sup>3</sup> This is the only exit from this ravine to main street of Avchala (Saradjishvili str.)

"The client will identify and evaluate the risks and potential impacts to the health and safety of the affected community during the design, construction, operation, and decommissioning of the project and will establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts. These measures will favour the prevention or avoidance of risks and impacts over minimization and reduction."

In addition it is noteworthy to mention that during the public consultation meetings we suggested to the Georgian Railway Company an additional alternative route using a tunnel that bypasses the Avchala settlements but the Railway Company refused to study this option with because it would increase project costs by 30 mln USD.

#### Deterioration of living conditions

Apart from the safety issues the project will also have a significant negative impact on the living conditions of those people who are living 30-200 metres away from the planned railway. Because of the hazardous freight (oil and oil products from Azerbaijan) the smell of oil will be disseminated at least in a radius of 500 metres<sup>4</sup> from the projected railway. This was not studied by the ESIA.

As well as the smell, living conditions in the settlement will also deteriorate because of the vibrations (the radius of the vibrations is 100 metres) and noise (the radius of noise dissemination is 600-700 metres) that will be caused by trains running on the high embankment.

In addition the final ESIA of the project does not describe the implications of the new railway route on the central water pipeline for Tbilisi which is located directly under the proposed new route. The pipeline is in very poor condition and from time to time it bursts and as a result floods the nearby houses. If the project is implemented (Construction, Exploitation) it may worsen the condition of the pipeline and cause drastic negative impacts on people who are living along the route. Unfortunately the ESIA has not studied this issue - a violation of PR 1 para. 9 on Environmental and Social Appraisal of the EBRD's Environmental and Social Policy:

*"Greenfield developments, or major expansions of activities, with potentially significant and diverse adverse environmental or social impacts, such as those listed in Appendix 1, will require a comprehensive environmental and/or social impact assessment, to identify and assess the potential future environmental and social impacts associated with the proposed project, identify potential improvement opportunities, and recommend any measures needed to avoid, or where avoidance is not possible, minimise and mitigate adverse impacts. This assessment will include an examination of technically and financially feasible alternatives to the source of such impacts, and documentation of the rationale for selecting the particular course of action proposed."*

The abovementioned problems together with safety issues were also highlighted during the public consultation meetings, private meetings with Georgian Railway Company, project consultants and also in the letter sent to the EBRD on December 30, 2010.

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<sup>4</sup> We received the information about the radius of the smell from a representative of the consultant company GAMMA informally;

### Depreciation of property

Taking into account the abovementioned problems it is not surprising that the value of our property especially the property (private houses with land plots) of those families who are living 30-150 metres away from the railway route has significantly deteriorated after announcing the project and the process is continuing (the value of our property has already decreased more than 3 times since the project was announced because no one wants to live near a railway route transporting oil).

Unfortunately the ESIA does not address property depreciation or corresponding compensation measures caused by the project for those people living along the railway route. This represents, in our view, non compliance with the Environmental and Social Policy of the EBRD:

*"to identify and assess the potential future environmental and social impacts associated with the proposed project, identify potential improvement opportunities, and recommend any measures needed to avoid, or where avoidance is not possible, minimise and mitigate adverse impacts."* (PR 1, para 9).

Alarming, however, the compensation process has started and Georgian Railway Company are giving compensation only to those families whose property is located within the red line<sup>5</sup> (Railway route corridor) of the construction (however it is not clear in the ESIA exactly what is the width of the red line).

### Desired outcomes

With this complaint, we expect the EBRD Project Compliance Mechanism experts to perform a Compliance Review and a problem solving initiative for the Tbilisi Railway Bypass project regarding the abovementioned problematic issues, in order to avoid drastic negative impacts of the project on local population living along the proposed railway route in the Avchala district.

In order to ensure the safety of local people we expect from the project sponsor either to determine an acceptable buffer zone along the projected railway route in the Avchala district and carry out resettlement of those people who will be living within the buffer zone or conduct additional studies of alternative routes that will bypass the Avchala district (E.g. Constructing a tunnel as was suggested by us during the public hearings).

Thank you very much in advance.

Best regards,

From:

**Affected inhabitants of Avchala district living along the proposed Tbilisi railway route**

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<sup>5</sup> The ESIA did not determine the width of the yellow lines (Construction corridor), which makes the situation even worse for locals.

Annex 1:

1. Collective Letter to Georgian Railway and Tbilisi City Hall; December 2, 2009;
2. Collective letter to Georgian Railway; June 6, 2010;
3. Collective letter to the EBRD; December 30, 2010;
4. Second e-letter to the EBRD and a representative of the Georgian Railway Company from the authorized representative of the inhabitants of Avchala district; 13 January, 2011;

Annex 2:

Proof of Authorization of David Chipashvili from local inhabitants of Avchala district;

Annex 3:

Photos of Avchala district with indication of planned railway route (3 Photos);

**Name and signature of Authorised Representative:**

David Chipashvili



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**Names and signatures of affected inhabitants of Avchala district:**

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