

The CEE Bankwatch Networks Mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation

Bulgaria:
Centre for Environmental Information and Education (CEIE)

For the Earth!

Czech Republic:
Centrum pro dopravu a energetiku

Hnutí Duha

Estonia:
Estonian Green Movement-FoE

Georgia:
Green Alternative

Hungary:
Nature Protection Club of Eotvos Lorand University (ETK)

National Society of Conservationists-FoE (NSC)

Lithuania:
Atgaja

Macedonia:
Eko-vest

Poland:
Polish Green Network (PGN)

Institute of Environmental Economics (IEE)

Romania:
TERRA Milleniul III

Russia:
Sakhalin Environment Watch

Slovakia:
Friends of the Earth - Center for Environmental Public Advocacy (FoE-CEPA)

Ukraine:
National Ecological Centre of Ukraine (NECU)

To: Mr. Thomas Maier
Director of Municipal and Environmental Infrastructure of EBRD

Subject: Tbilisi Water Supply Improvement Project

Dear Mr. Maier,

With this letter we would like to ask you clarifications regarding the Tbilisi Water Supply Improvement Project, as well as to share some concerns that had been already raised among Tbilisi citizens.

Access to Information and public participation

Despite the number of attempts to receive feasibility study and project related documents from Tbilisi Water Company, as well as raising the issue on EBRD AGM with the department of Municipal and Environmental Infrastructure, the public still has scarce information about the planned activities.

While the project from environmental perspective may represent B category, from social point of view any significant failure of the project will have drastic impact on the City with approximately 1.5 million residents. This leads us towards necessity for wider public discussions with regard to future of Tbilisi Water utility. Moreover, EBRD as an international body should act in line with General Comment No 15 of the United Nations Committee on Economic, Social and Cultural Rights, which underlines that "The right of individuals and groups to participate in decision-making processes that may affect their exercise of the right to water must be an integral part of any policy, programme or strategy concerning water. Individuals and groups should be given full and equal access to information concerning water, water services and the environment, held by public authorities or third parties".

It would be reasonable for the EBRD to undertake all necessary steps to ensure proper public participation and consultation with all interested stakeholders, with prior and timely publication of all relevant project documentation, including detailed description of the project, environmental and social analysis, long term tariff strategy and assessment of its environmental, economic and social impacts.

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Residual Block metering

One of the project objectives is metering of blocks with one collective water-meter that will measure the amount of water used. In this regard it is important to clarify following issues:

- Does the EBRD estimate the risks for this type of payment of water fee (taking also into account on the same situation with regard of electricity fees collection, that has been turned in irreversible conflicts in many communities in Georgia and has been negatively assessed by Constitutional court of Georgia¹)?
- Does the EBRD already assess the mitigation measures for the water users that would not be able to pay the fees for water and sanitation services?²

Promotion of Public Private Partnership

The Project Information Document underlines the introduction of PPP mechanism for Tbilisi Water utility. According to the document the Project will “support to the city of Tbilisi to prepare a public-private partnership for the Tbilisi Water Company”.

Surprisingly, the EBRD takes unilateral decision for introduction of PPP mechanism in Tbilisi, while having significantly negative track record in promotion of PPP in water supply and sanitation sector (e.g. Sofia water project). In Georgia, the privatization of sectors of natural monopolies till now also brings rather unsatisfactory results, including problems as under-investment, failure to improve the services and increased fees that does not correspond to quality.

>From this perspective, The EBRD should share its arguments with public, why it prefers PPP to any other forms of procurement and management for Tbilisi water utility, and how it would ensure the success of the project not only from commercial, but also from consumer point of view.

We believe that genuine, open minded independent consultation on all possible options for water utility sector reform, which should include the wide range of public management options is clearly appropriate.

Sincerely yours,

David Chipashvili
National coordinator

¹ Georgian Constitutional Court Decision 1/1 374,379, February 9, 2007

² It is important to undertake the specific safeguards to ensure that people that live under the poverty line would not stay without water and sanitation services, in line with the General comment No 15 (2002) of the United Nations Committee on Economic, Social and Cultural Rights, and right to sanitation as it is described in UN sub-commission on the promotion of protection of Human Rights Guidelines (2006) for the realization of the rights to drinking water and sanitation.