

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)

Environmental Association Za Zemiata (For the Earth)

Czech Republic:

Centrum pro dopravu a energetiku

Hnuti Duha

Estonia:

Estonian Green Movement-FoE

Georgia:

Green Alternative

Hungary:

Nature Protection Club of Eotvos Lorand University (ETK)

National Society of Conservationists-FoE (NSC)

Latvia:

Latvian Green Movement

Lithuania:

Atgaja

Macednia:

Eko-svest

Poland:

Polish Green Network (PGN)

Institute of Environmental Economics (IEE)

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. Bjorn Hamso Senior Energy Economist for ECA World Bank 1818 H str.

Cc: Mrs. Tamara Skhulkhia Senior Infrastructure Specialist Sustainable Development Department Europe and Central Asia The World Bank/Georgia Office

July 18, 2008

Dear Mr. Hamso

We would like to express our concerns related to the public review of the "final report of environmental and social impact assessment for Khudoni from BRL Ingenierie/ARS Progetti for phase I of the project, and final report of strategic environmental assessment of Khudoni from SEEC", organized by the Ministry of Energy of Georgia.

According to the statement of the Ministry of Energy: "it announces public discussion of the above reports seeking feedback from the project stakeholders." According to the latest information it would welcome comments up to 8.08.2008, while public hearings are to be organised in Jvari, Zugdidi, Mestia, Khashi and Tbilisi at the end of July.

While it is to be welcomed that the ministry is organising such screening/scoping meetings before the project moves into its second phase, it is vitally important to make more of this public participation process and ensure its compliance with best international practice.

The latest developments in Georgia's energy policy, including the State Renewable Program 2008, directly advocate for the development of alternative resources (eg, small HPPs, wind, etc). In order to ensure that the SEA for the power sector acts as a guide for further planning in the power sector, it is important to ensure proper public scrutiny of the document and to extensively involve experts, decision-makers, NGOs and the wider public in the process too.

Taking into account the importance of the document "Georgia: Strategic Environmental Assessment of Power Sector development¹", it would be advisable to

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¹ that ministry incorrectly called the Strategic Environmental assessment of Khudoni from SEEC

extend the public participation process up to 120 days and to sketch out clear public participation procedures. While the Bank has no clear guidelines for conducting an SEA, the best applicable practice defined in Policy 4.01 as well as the information disclosure policy applicable for sectoral EA for A category projects, should be applied in order to ensure the integration of all existing data and policy tendencies in the document.

Sincerely

Manana Kochladze

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Regional Coordinator for Caucasus