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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)

Russia:
Sakhalin Environment Watch

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

Ukraine:
National Ecological Centre of
Ukraine (NECU)

CEE Bankwatch Network's
mission is to prevent
environmentally and socially
harmful impacts of
international development
finance, and to promote
alternative solutions and public
participation.



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To: Ms Sue Barrett
Director for Transport, EBRD
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CC: Mr. Alistair Clark, Corporate Director,
Environment and Sustainability, EBRD

December 30, 2009

Dear Directors,

Please, find below comments of Association Green Alternative and CEE
Bankwatch Network on Tbilisi Railway Bypass Project.

Sincerely yours,

Manana Kochladze
Chairwoman of Green Alternative,
Regional coordinator for Caucasus
of CEE Bankwatch Network

Comments of Association Green Alternative and CEE Bankwatch Network on

Tbilisi Railway Bypass Project

Introduction

The EBRD together with EIB is considering allocating over EUR 290 million for the Tbilisi Railway Bypass Project in order to construct a new section of railway track bypassing the central part of Tbilisi and upgrading the existing stations of Didube and Navtlughi.

According to the ESIA the main goal of the project is to improve the efficiency and safety of rail operations within the city of Tbilisi. The majority of freight carried by the railway is crude oil and refined products in transit (from Azerbaijan, Kazakhstan and Turkmenistan to the ports on the Black Sea) - hazardous goods which should not be transported through such a densely populated area. An additional justification for the project is the fact that the railway, which has comparatively few traversing points, currently acts as a major barrier to city development on the northern bank as well as depressing land values in its vicinity.

Below we outline comments and concerns by the Association "Green Alternative" regarding the project. The document is based on a review of the draft ESIA, and

concerns raised during the public meetings by local communities and interested stakeholders.

Procedural comments

Scoping stage

The scoping meeting for the project was conducted on July 21, 2009. According to the ESIA of the project, the local population that will be impacted by the project did not participate in the scoping process. The main reason cited for this was avoiding additional tensions within the local population.

According to the Environmental and Social Policy of the EBRD “In the case of Category A projects the client will engage in a scoping process with identified stakeholders to ensure identification of all key issues to be investigated as part of the Environmental and Social Impact Assessment (ESIA) process”. Thus there has been a violation of the Environmental and Social Policy of the EBRD¹.

Disclosure of ESIA

The Georgian version of the ESIA of the project was disclosed in October 16, 2009 on the webpage of Georgian Railway Ltd. According to the project sponsors the Georgian version of the full draft ESIA for the population was available in local municipalities as required by the Environmental and Social Policy of the EBRD².

In order to check the availability of the draft ESIA in municipalities the Association “Green Alternative” visited these municipalities. Unfortunately it turned out that none of the municipalities had the full version of the document.

The only available document was a non-technical summary of the project. The only means for interested stakeholders to access the full document was by using the internet, which cannot be considered as compliance with the Environmental and Social Policy of the EBRD.

Presentation of the ESIA during the public hearings

During the public hearings representatives of “Georgian Railway Ltd.” and the project sponsors presented the draft ESIA document to interested stakeholders. The project sponsors presented only the central variant and its impacts and did not even mention the existence of other alternative sites and their impacts. Failure to present alternative sites and their pros and cons during the public hearings cannot be considered as good practice of ESIA public hearing meetings.

¹EBRD Environmental and Social Policy (2008), PR10 “Information Disclosure and Stakeholder Engagement”, Paragraph 10: “In the case of Category A projects the client will engage in a scoping process with identified stakeholders to ensure identification of all key issues to be investigated as part of the Environmental and Social Impact Assessment (ESIA) process”;

² EBRD Environmental and Social Policy (2008), PR10 “Information Disclosure and Stakeholder Engagement”, Paragraph 13: “The Information will be disclosed in the local language(s) and in a manner that is accessible and culturally appropriate, taking into account any vulnerable people (for example ethnic groups or displaced persons). For projects with potentially significant adverse social or environmental impacts, disclosure should occur early in the environmental and social appraisal process”

The central route of the project involves construction of a new 27.1 km double track Zahesi – Lilo 1, three tunnels with a total length of 2.55 km, three bridges (360m) and embankments (Height 1-27m). Moreover the project route would cross Tbilisi National Park in two places and run along the Tbilisi reservoir (min. distance 900m).

According to the ESIA consultations were held with the scientific community³ and a list of scientific institutions is presented. However, hiring representatives of scientific institutions as project consultants cannot be considered as a public consultation.

Content related comments

Need for the project

According to the ESIA “the Project will support the urban redevelopment of freed-up territories in accordance with the new General Plan for Prospective Development of the city. The Project will ultimately improve the efficiency and safety of rail operations within the city of Tbilisi through relocation of the existing rail facilities, presently located in the centre of the urban area.” The Georgian Railway company will be responsible for the loan.

While the project will support the improvement of safety within the city of Tbilisi through relocation of the existing rail facilities, the project does not describe the problems that will be caused by dividing the passenger railway in two parts. For instance the impact of the project on passenger transport expenses, e.g. transport expenses are not calculated for those people who travel from the western part of Georgia to Navtlughi station for trading purposes. After abolishing the direct linkage of Didube and Navtlughi stations, people will have to use either use different means of transport to travel to Tbilisi or another means of transport from Didube station to Navtlughi, thus increasing significantly their transport expenses.

In addition the negative impact of the project on the revenues of the railway itself is not calculated: hampering travel for tourists (by abolishing the direct link from Didube to Navtlughi), especially during the summer season, may cause people to change from the railway to other means of transport.

Alternative Routes

According to the ESIA there are discussed 4 route alternatives and technological alternatives of the railway route, of which one route option is the main one. As the best technological option an 18‰ gradient for the railway was chosen.

Three of the alternatives described in the project are not adequate alternatives to the central option, namely:

- The first alternative is the city tunnel which was refused during the scoping stage but despite this it is still considered as an alternative in the ESIA;
- The total cost of the second alternative described in the ESIA is beyond reasonable financing limits and for this reason it was rejected, thus it can not be considered as an adequate alternative route;
- The third option is almost the same as the central option but the only difference is the gradient of the route (it is considered to be 15‰ gradient) which cannot be considered as an adequate alternative because from the beginning it was known by the project sponsors that

³ Chapter 4.1.7 of the ESIA;

the gradient of the route should be 180/00 gradient rather than 150/00, so it is unclear why this option was described at all.

Economic viability of the project

The ESIA of the project does not describe the economic viability of the project. According to a representative of the Georgian Railway company the economic viability of the project is not an issue for the ESIA and that is why it is not included⁴. In addition, according to him⁵, the Georgian Railway company plans to create a special purpose company in order to sell the property of the railway located along the existing route of the railway to cover the loan. But unfortunately the rehabilitation costs of the freed up territories as well as the proposed amounts that might be gained from selling the property are not determined thus questioning the economic viability of this plan. Moreover the cost deviations that are characteristic of infrastructure projects are not determined at all.

During the public hearings the representative of the Georgian Railway stated that the loan will be covered by the cash flow of the company. Regarding the restoration of freed up territories he added that the total value of restoration will be calculated under the NIF grant recently won by the Georgian Railway company. Taken into account the fact that the total real project cost and restoration cost of the freed up territories is not known, the abovementioned activities unfortunately do not exclude the possibility of bankruptcy of the Georgian Railway company.

As mentioned above an increase of freight tonnage is not expected, even in the most optimistic calculations (and accordingly the profit of the Georgian Railway company is also not planned to increase) thus the main beneficiary of the project appears to be the city of Tbilisi by improving communication between both parts of the city as it is stated in the General Plan for Prospective Development of the city.

Social Impact

Chapter 6.3⁶ of the ESIA describes the socioeconomic impacts of the project, which include impacts connected with the loss of housing of those living directly on the proposed route of the project (50-75 families) and the loss of land (farming activities) and compensation activities, but does not describe any compensation activities for those families staying along the proposed railway route. (the ESIA only describes activities against noise and vibration). The project also does not include any calculation of expenses of the population living along the proposed route related to depreciation of assets caused by the railway.

In addition the project does not include any safeguard activities in case of accidents of trains running on high embankments (18-20 metres height) through densely populated areas. Moreover, emissions caused by the braking of trains that will worsen living conditions in the Avchala settlement are not calculated. This issue was also highlighted during the public hearings on the ESIA by the local population and submitted to the Ministry of Environment (copies were sent to us too). Moreover we received a statement from Mr. Vaja Beselia, who is one of the residents of Avchala (a copy of the statement is attached), saying that the economical and technical part of the railway route running through Avchala was explained to him in the department of Georgian Railway and based on this explanation he is asking the Ministry of Environment not to respond to his letter submitted earlier. We are assured that this explanation is necessary to disclose for interested stakeholders and accordingly become part of the final ESIA.

⁴ Roundtable regarding the Tbilisi Railway Bypass project held in October 15, 2009

⁵ Dimitri Kemoklidze Head of Strategic Projects and development of the Georgian Railway Ltd.

⁶ In the Georgian version of the ESIA it is chapter 6.2

It should be mentioned additionally that the goal of the project is welcome, i.e. the improvement of efficiency and safety of rail operations within the city of Tbilisi through shifting crude oil and refined products (they represent dangerous products) from the city center. However in order to ensure the solution of the problem and not simple shifting problem from one part of the city to another it is necessary to determine additional mitigation measures or project designs that will become part of the final ESIA

Waste Management Issues

Chapter 6.1.9.5 of the ESIA is dedicated to general considerations for waste management issues and further steps for sustainable waste management.

According to the ESIA a Waste Management Plan will be developed, a Recycling Coordinator will be designated who will be responsible for developing the details of the plan and monitoring its progress, and appropriate waste processors will be determined. Taking into account the fact that there does not exist any concept and vision of sustainable waste management in Georgia it is quite unclear on which principles of waste management the waste management plan will be based and what will be the role of the Recycling Coordinator in the project.

In addition it is noteworthy to underline the issue of the destination of the waste, about which it states: "In theory it may be possible to landfill C&DW in dedicated landfills with a view to future processing and recovery when market conditions are more favourable. In practice this option has seldom been used to date"⁷. Taking into account the fact that no sanitary landfill sites exist in Georgia and in practice dedicated landfills have seldom been used then it becomes quite unclear where waste will be disposed of by the waste processor.

Protected Areas

According to the ESIA the proposed railway route crosses the *traditional use* and *visitors'* zones of Tbilisi National Park. However the document needs to be corrected because within the same route variant in some places in the ESIA it is written that the railway route crosses the traditional use and visitors' zones of Tbilisi National Park but in some places it is written that it only crosses the visitors' zone.

According to the ESIA⁸ the "Georgian railway company will submit a request to the Ministry of Environment to make amendments to the law on Tbilisi National Park and assign a special category of forest usage to the intersected areas of national park because according to the decree of the state forest department⁹ forest usage and logging for special purposes is permitted for construction of roads (including railways)".

First it should be underlined that according to the national legislation construction of railway does not belong to the list of activities that is permitted in National Parks. The second issue is including construction of railways with the construction of roads, which is incorrect because construction of railways and roads represent completely different activities. It looks like the project sponsors used paragraph 4(a) of the decree¹⁰, which represents a wrong interpretation of the Georgian Legislation.

⁷ ESIA of the project; Chapter 6.1.9.5 "destinations of waste" page 159

⁸ ESIA Chapter 6.1.4 "Impacts on Tbilisi National Park"; Georgian version

⁹ Decree N 10/61 "Regarding special logging and rules of its implementation"; September 13, 2000

¹⁰ Decree N 10/61 "Regarding special logging and rules of its implementation"; September 13, 2000

We strongly believe that the Georgian Railway Company should use paragraph 5 “special logging in designated areas of forest fund” of the same decree and also the decree of the president of Georgia regarding general rules of forest usage, limitations and prohibition on designated areas of state forest¹¹. Accordingly before the project the implementation decree of the President of Georgia should be released regarding the transferal of the designated area of state forest to the Georgian Railway Company and also a contract should be signed between the Georgian Railway Company and agency of protected areas.

Tbilisi Reservoir

Chapter 6.1.1 of the ESIA is dedicated to the potential impacts of the project on surface and groundwater including project impacts on Tbilisi reservoir, one of the main suppliers of potable water to Tbilisi citizens.

According to the project, a major part of the railway bypass route along the Tbilisi Reservoir is housed in a ditch (PK143-PK167 and PK177-PK184). In case of oil spillage in this section oil will enter the water reservoir through *Kvirikobiskhevi* Gorge or through the surface of open sections of the route. Accordingly the most sensitive sections of the route are *Kvirikobiskhevi* Gorge and those sections of the route which run on the ground or embankments, namely, PK167-PK177 - 1000 metres, PK184-PK187 - 300 metres, PK189+90-PK191 – 150 metres: Total length – 1450 metres. Spillage of even half a tank, i.e. 30,000 litres of oil, could spoil approximately 50% of the volume of the reservoir leaving the population of three districts of Tbilisi without potable water and around 20,000 hectares of agricultural arable land in the *Gardabani* region without irrigation¹².

According to an ecological analysis by the Georgian Water and Power company, based on the abovementioned negative impacts the central variant for the proposed route does not fulfill requirements for ecological security. From an ecological point of view the sub alternative of the central option is much more acceptable but in this case it is necessary to conduct modelling of the flow of surface water (as was done regarding the central option). If research shows that even a single flow is inclined towards the Tbilisi reservoir the project needs to be corrected¹³.

Problems related to so-called yellow lines (construction corridors)

It should be mentioned that together with the red lines of the project the so-called yellow lines should also be determined in the project (areas related to construction corridors). During the public consultation meetings regarding the ESIA the Georgian Green Movement declared that so-called “yellow lines” of the project are not mentioned in the ESIA, thus showing shortcomings of the document.

Problems related to location of energy facilities

In addition the location of energy facilities (high voltage transmission lines, etc.) related to the new railway are not determined and nor are their possible negative impacts on the environment.¹⁴ These should be determined in the ESIA of the project.

Problems related to quarrying of aggregate materials

¹¹ Decree N 506 of the President of Georgia; December 10, 2002

¹² ESIA Chapter 6.1.1. “Tbilisi Sea”; Georgian version

¹³ Georgian Water and Power, ecological survey regarding the project, chief of the technical department of the company professor Nino Kezevadze

¹⁴ Nino Chkhobadze, Georgian Green Movement; Public Hearing meeting of the ESIA; November 30 – December 2, 2009

The project does not include any calculation of the necessary quantity of aggregate materials (rock, gravel etc) for the project and the impacts on the environment of quarrying these. It should be underlined that the biggest impact of this type of project is often related to the extraction of natural resources and this should be taken into account by the project sponsors.

Recommendations

General recommendation

We strongly believe that it is necessary to undertake a railway development project (e.g. development of existing infrastructure) that will improve the efficiency and safety of rail operations (both freight and passenger) and to obtain a loan in order to finance this kind of project.

Project related recommendations

- The Georgian Railway Company should look at the project from the beginning and substantiate its view regarding the need for the project with more arguments;
- It is necessary to study the project's impacts on national and international passenger transportation conducted by the Georgian Railway company and its impact on the revenues of the company (after abolishing the direct linkage from Didube to Navtlughi stations, especially during the summer season, that may cause passengers to change from using the railway to other means of transport);
- An additional study should be conducted in order to find adequate alternatives for the project, if it is indeed necessary;
- Deviations of the project cost should be determined within the pessimistic and optimistic scenarios and only in case of the pessimistic scenario the solvency of the railway company should be analysed;
- Additional social impact assessment should be conducted in order to assess the project impact not only on those people losing housing or land but also study the project's impact on people who will be living along the route after the project implementation;
- A waste management plan has to be made before the project approval or at least it needs to be determined where the waste will be disposed of. Accordingly if a decision will be made to designate a special site for the landfill this issue should also be included in the ESIA;
- It is necessary to change the project route in order to avoid the railway crossing the Tbilisi National Park (e.g. constructing a tunnel);
- Modelling of the flow of surface water needs to be conducted. If research shows that even a single flow is inclined towards the Tbilisi reservoir the project needs to be corrected. Additional mitigation measures should be determined;
- So-called yellow lines should also be determined in the project (construction corridors) before the approval of the project;
- It is necessary to determine the locations of energy facilities (high voltage transmission lines, etc.) related to the new railway and their possible negative impacts on the environment;
- A calculation of the required quantity of inert materials for the project and their impacts on the environment should be conducted as part of the ESIA and adequate mitigation measures should be determined;
- In order to ensure the safety of rail operations within densely populated areas it is necessary to determine additional mitigation measures or project designs that will become part of the final ESIA.

We hope that consideration of our recommendations will improve the quality of the ESIA of the project. In addition we would like to acknowledge that our recommendations during the scoping meeting (regarding Tbilisi Reservoir,

the nuclear reactor in Mtskheta, zero alternative, and landfill) were taken into consideration in the ESIA of the project.