შპს „საქართველოს რკინიგზა"
GEORGIAN RAILWAY

2010 „18" 01
№ 1-294

To: Ms Manana Kochladze
Chairwoman of Green Alternative,
Regional coordinator for Caucasus
of CEE Bankwatch Network
62 Chavchavadze Ave., 0162
Tbilisi, Georgia

CC: Ms Sue Barrett
Director for Transport, EBRD

CC: Mr. Alistair Clark, Corporate Director
Environment and Sustainability, EBRD

18 January 2010

Dear Ms Kochladze,

We would like to thank you for your interest in the Tbilisi Railway Bypass project. Please find enclosed Georgian Railway's comments on the issues you raise in your letter of 30 December, 2009 to the EBRD.

We hope that you will find this information useful and share it with other relevant and interested stakeholders.

1. Procedural comments at the scoping stage

The scoping meeting for the project was conducted on July 21, 2009. In order to ensure that all identified stakeholders were informed about the scoping meeting the following steps had been taken by Georgian Railway in accordance with the EBRD's Environmental and Social Policy:

- Both local communities and municipalities were informed prior to the meeting and scoping reports with invitation letters were sent to all stakeholders
- Scoping reports in Georgian and English languages were available on Georgian Railway website and in the Strategic Projects and Development Department of Georgian Railway
- Special brochures were prepared in Georgian and English

ბ 006682

- Information boxes were installed in the main entrance of Georgian Railway Head office and Municipalities from which population received necessary information concerning the project in the scoping stage.

In the scoping stage, the project was broadcasted via mass media. On July 24 2009, a press conference was conducted with the participation of Mr. Irakli Ezugbaia, Director General of Georgian Railway and Mr. Gigi Ugulava, Mayor of Tbilisi. Also, project related articles and information materials were published in the following media outlets: Alia, Rezonansi, Saqartvelos Respublika, 24 saati and other newspapers. From 16 July, the project was broadcasted on the following TV channels: Rustavi2, Georgian Public Broadcasting and Imedi. On 31 July, a radio show was organized on the Radio Channel Imedi. Also, a Public Advertisement was prepared and aired through all central TV channels. In addition to the above efforts, a dedicated hot line was installed.

More detailed project related information about public information is given in the ESIA report in chapter 4.0 Public Information and Engagement Process.

2. Disclosure of ESIA

On 3 September 2009, the ESIA report was published in English on Georgian Railway and EBRD websites. On 11 September the Non-technical Summary agreed with the EBRD was published in Georgian on both websites . On 16 October a full Georgian ESIA report was disclosed.

Please be informed that according to the EBRD's Environmental and Social Policy the full draft ESIA and NTS Reports for the Project were sent to the authorities of all Municipalities. In the Didube-Chugureti Municipality reports were available with Ms. Zizi Sesitashvili, in the Gldani-Nadzaladevi Municipality with Mr. Besarion Arveladze, and in the Isani-Samgori Municipality with Ms. Natia Qurdovanidze.

Reports were also available in the Administrative Office of Georgian Railway in the Strategic Projects and Development Department located in the Didube-Chugureti district, and on the CENN and Aarhus websites.

The disclosure of the documents was announced on Georgian Railways website.

3. Presentation of the reports during Public Consultation meetings.

The public hearings were conducted in the three Municipalities: Didube-Chugureti, Gldani-Nadzaladevi and Isani-Samgori. Also, an additional public hearing was conducted for population and NGOs.

Public consultations meetings were attended by the Georgian Railway representatives with group of specialists which prepared the ESIA report of the project. At all public meetings the presentation of the ESIA was followed by the Q&A session.

4. Project Justification

Potential problems mentioned in the remarks are not credible, because there are no passengers travelling by train from West Georgia to Navtlugi. For all passenger trains which run through Tbilisi, except one, the origin or destination point is Tbilisi Central Station: there is no

through traffic. Passengers getting on or off in the Tbilisi Central Station may live anywhere in the whole city - not just in the vicinity of Tbilisi Central Station. In fact, Didube and Navtlugi stations are closer to many of the Tbilisi most populated residential areas than Tbilisi Central Station. Also, passenger trains are convenient for more people. The Yerevan-Batumi seasonal (Summer) train is the only train for which Tbilisi Central Station is not the origin or destination point as it runs through Tbilisi. Passengers of the mentioned train do not use Tbilisi Central Station, because Yerevan-Batumi train runs on a separate route.

5. Project Alternatives

All the technically feasible alternatives have been published in the process of discussion. Despite of the fact that the tunnel alternative was not desirable for Georgian Railway for safety reasons, it was still envisaged as an alternative like the other ones. In case the other alternatives were rejected, the tunnel alternative would have been acceptable. The mentioned alternative was not declined by the sponsors. More expensive but technically feasible alternatives were also published. In the process of identifying technical alternatives, the main reason to choose 18 pro mil alternative was a number of downsides of the 15 pro mil alternatives.

6. Project's economical feasibility

Please be informed that the issues of economic viability of the project, an evaluation of freed up lands, an evaluation of financial and organisational situation of Georgian Railway as well as legal issues were thoroughly assessed by the EBRD during the due diligence.

We are assured that the EBRD will continue to work with the Georgian Railways to address these issues in a manner that satisfies the Bank's policy requirements.

7. Social Impact

Chapter 6.2 of the ESIA describes the impact on the local inhabitants living along the proposed route (population of Avchala).The report covers the following issues as well:

- Loss of Housing / physical displacement
- Loss of land and loss of livelihood
- Possible negative impacts on the facilities located in the areas adjacent to the Tbilisi Central Railway Station and the new railway bypass
- Dust and noise caused due to the construction works
- Vibration from movement of heavy equipment on existing roads
- Local community members' accidents
- Workers misbehaviour / socio-cultural differences / conflicts of migrant workers enter area and diseases associated with the arrival of temporary labour in the area
- Potential epizootological impact / Risk of activation of burials of diseased livestock and outbreak of infectious diseases
- Negative impacts from the use of unsafe construction materials and mistreatment of the unsafe and hazardous materials during the demolishing of the buildings on the construction area and railway infrastructure on the existing Tbilisi Central Railway Station
- Safety of pedestrians / local public accidents
- Noise and vibration during rail operation

8. Waste management issue

Please be informed that in accordance to the Chapter 6.1.9.1. of the ESIA the development of the Waste Management Plan will be guided by the following EU directives and best international practice:

Waste Framework:

- Directive on Waste 75/442/EEC
- Directive on Hazardous Waste 91/689/EEC

Specific Waste Streams:

- Disposal of Waste Oils 75/439/EEC
- Sewage sludge 86/278/EEC
- Disposal of PCBs and PCTs 96/59/EC
- Waste electrical and electronic equipment 2000/95/EC and 2000/95/EC

Treatment and Disposal Facilities:

- Municipal Waste Incineration 89/429/EEC & 89/369/EEC
- Hazardous Waste Incineration 94/67/EC
- Waste incineration 2000/76/EC
- Landfill of Waste 99/61/EC
- Integrated Pollution Prevention and Control 96/61/EC (covers some recovery and disposal operations)

"The Georgian Railway" Ltd. will be also financed from the EU Neighbourhood Investment Facility (NIF) to study the historical pollution (depots, etc.) caused by the railway operation in order to clean the freed up territories in Tbilisi before their future utilization.

Please also note that appropriate amendments on the basis of the public comments are included in the Waste Management part of the final ESIA report.

9. Protected Areas

In order to interpret the law on basis of the consultations with the appropriate Legal Service under the Ministry of Environment and Natural Resources it has been determined that construction of railway is included in the category of road construction.

10. Tbilisi Reservoir

The engineering design of Tbilisi Bypass Railway considers a prevention of pollution of environment with the chemical substances in the process of its operation and the means of its minimization, such as catch water drains.

Besides the abovementioned, to protect Tbilisi Reservoir ecologically, after discussions on the draft ESIA report, an engineering decision was additionally elaborated for the Kvirikoba Khevi (Gorge). It was decided to make waters from the Kvirikoba Khevi run through the tunnel at the section of the Railway bridge in order to prevent leaking of oil towards Tbilisi

Reservoir in case of potential oil spills caused by train accidents. Both tunnel capacity and the capacity of the railway bridge constructions were estimated for the maximal water flooding at 0.333% (once in 300 years) which is 86.0 m^3/sec. The estimation was also checked for 0.1%, which means once in 1000 years and is 101.3 m^3/sec.

A 10 meter embankment will be constructed over the tunnel which will decrease the power of the hit of tank wagons over the tunnel in case of train accidents down to the acceptable level.

The zones of the tank wagon falls from the railway bridge were determined according to the estimation in order to determine the total length of the bridge (L=200 m).

A level of embankment for accumulation and keeping of the spilled oil products will be arranged above of the tunnel. It is estimated to keep at least 500 m^3 of oil products. An amount of oil products is calculated on the basis of the statistic analysis of the railway crashes (according to the rule - 3δ).

The cleaning and utilization of the oil products, which were spilled and leaked in the ground after the train crashes, should be arranged in the established periods of time.

11. Problems related to so-called yellow lines (construction corridors) and related to location of energy facilities

An issue of location of construction corridors and power supply units will be included in the final ESIA report.

12. Problems related to quarrying of aggregate materials

Materials freed up after tunnelling and excavation will be mostly used for construction.

The recommendations concerning other issues will be considered as precisely as possible in the final ESIA report and in the process of project implementation.

Sincerely yours,

Irakli Ezugbaia

General Director