

Green Alternative Association welcomes the opportunity provided for comments on the HLG report on TEN-T extension to the neighbouring countries.

At the beginning of our comments we would like to bring your attention to the two issues that represent the main NGO concerns about TEN-T development in Caucasus region: 1) lack of coherent sustainable transport policy for the region; and 2) poor transparency and public control regarding project involving support from the International Financial Institutions and EU funds.

Despite the fact that the EU, through TACIS (Technical Assistance for CIS countries¹), has been implementing an ambitious programme for the promotion of regional cooperation and trade between Central Asia, Caucasus and European Union since 1993, Georgia as well as other Caucasus countries are still missing a sustainable transport policy. The TRACECA programme was designed with a view to using the programme as a catalyst to attract IFIs and private investors and link the TRACECA route with the Trans-European Network. A number of the projects including the rehabilitation of some parts of highways, ports and airports have already taken place. The HLG report again put the focus on development of the international transit corridors, encouraging government tendencies to embark on grand mega-projects, at the price of neglecting local transport project with the greatest benefits for the country and therefore getting more for the money. What is more there could be also significant environmental and social implications from the development of transit traffic through the countries and we do not have guarantees that those problems will be adequately addressed. For example with the revival of the Old Silk Road route, mainly connected with increasing transportation of oil and oil products, a number of negative impacts as illegal migration, drug trafficking, illegal arms trading, the spread of various epidemics (e.g. AIDS), invasion of different alien species, and vibrations from heavy trucks already take place.

We agree with the HLG report regarding the need for transparent procurement procures. However, our experience from monitoring IFI investments in the region teaches us that transparency and public participation should be extended to overall project preparation and implementation. We believe that the EC should take a leading role in the promotion of transparency in the region in order to ensure the efficient and effective use of the EU and Caucasus citizens' taxpayers money.

1. Do the five main transport axes highlighted in the High Level Group (HLG) report, in your view, represent the main axes for international traffic and what would you add/delete, if given the opportunity, and why?

Green Alternative welcomes the fact that the HLG report speaks mainly about upgrading of existing roads and railway links in the South Caucasus. However, the intended widening of motorways from two lanes to four lanes is a cause for increasing concern, and the projected increase in international cargo traffic could have significant impacts on biodiversity and cultural heritage, and for sure will require significant resettlement.

Most of the Motorways (including transit ones) in Georgia (as well as in Azerbaijan and Armenia) go through settlements and some cities (like Kutaisi or Ganja). In case of widening resettlement would be unavoidable. Another thing is that the improvement of the situation on the roads, will of course increase the traffic overload, which would have drastic impacts on a number of cities and villages. For example the city of Vale, located on the border of Georgia/Turkey is already half-destroyed by the movement of heavy trucks between Poti/Batumi to Turkey and vice versa. A bypass has not been constructed in Vale, despite the fact that the local population has been asking for it for more than 10 years.

We agree with the HLG that concrete projects would require more feasibility studies, and welcome its suggestion to invite **"the Banks and the European Commission to further assess the interest of the proposed projects, when defining their cooperation programmes with the countries concerned"**. It is very important from that point of view to increase closer cooperation between the EC and IFIs that have been invited to implement the TEN-T extension, especially regarding the implementation of the South East Axis that is the major route through Caucasus Countries.

¹ Except Russia, Belarus, Mongolia

The World Bank East-West Highway Improvement project in Georgia is an important example of the problems with upgrading of the existing roads is project could be considered. The project is part of a proposed series of Roads/Transit Corridor projects, to develop sections of the highway network and to ensure a steady and adequate level of funding for road maintenance based on charges related to road use and road access. This project is part of the South Eastern Axis, complemented with the Highway I and Highway II road projects in Azerbaijan for 240 mln USD, that could also be considered as environmentally unsustainable ones². These cases are quite a cause for concern especially taking into account the fact that the World bank has been part of the HLG.

Other priorities:

Samtskhe-Javakheti Road. Millenium Challenge Corporation is expected to fund the 100-125 million USD development of the Samtkhe-Javaketi/Armanian connection road, that is a very good initiative taking into account the situation in that region and the fact that the region is currently isolated from the rest Georgia due to the bad roads. However, there was a railway line parallel to the road during the Soviet Union period, and rehabilitation of this railway has not been considered in the report.

Railway connection between Georgia and Turkey: There is no railway connection between Georgia and Turkey, which increases the overload on the roads. One possible route is from the Turkish city of Kars in Eastern Anatolia to the Georgian capital, Tbilisi, which has been under consideration since 1993. The proposed line would require 98 kilometres of new railroad to be built at a cost of \$250 million. When completed (with possible extensions to Baku in Azerbaijan and the Turkish port of Trabzon), the line would not only open a new route for bilateral trade, but would also help to connect Turkey and other Central Asian countries. Turkey's only railroad access to Central Asia goes through Iran. The fact that this railway is not in the High Level Group report, could point to the fact that road development is getting more privilege in the region than railway construction, although the railway would support a decrease of goods transit on roads.

2. The HLG report outlines a number of measures, on so-called horizontal issues, are these the most important ones and do the recommendations made by the Group help to solve the problems?

Green Alternative recognizes the importance of the HLG statement that all projects must respect relevant EU legislation and best international standards in procurement and environmental assessment. However the fact that Projects would be funded not only from EU funds, but would be complemented by funds from national governments and International Financial institutions, raises quite big concerns in the light of existing and proposed non-harmonized actions from the side of a number of IFIs and governments in very same areas in the South Caucasus region.³

To ensure the implementation of outstanding horizontal issues, the report needs to address the ways in which the EU will enforce implementation of relevant EU legislation and best international standards in procurement and environmental assessment. Technical assistance in the preparation of SEA and EIA and EC due diligence on the project supported by the EU funds and IFIs is fundamental.

Ensuring that Strategic Environmental Assessment and Environmental Impact Assessments are carried out during the planning and development

In all three South Caucasus countries, SEA has still not been introduced on the national level, and the environmental impacts of transport are usually only considered in relation to protected natural areas rather than wider environmental

² **East-West highway Project** - The project envisages a road upgrade from 2 to 4 lanes and support for the Rikoti Tunnel Concession. Unfortunately the project is categorized as B category and required only an Environmental Assessment, while the European EIA Directive (85/337/EEC) requires full a Environmental Impact Assessment procedure². The Aarhus Convention also categorizes it as an A category project. The response of the World Bank to the public's concerns were following "we will be preparing investment projects for approximately 40 Km road. However, we will be financing these by three different credit projects. Therefore, we will address three road sections of approximately 40 km road separately. In addition, we consider that some sections may need to deal with resettlement, while others will not. So, in order to be more efficient we think we may need to consider sections individually". We find the approach of the World Bank to be completely disregarding the European principles for assessment of the environmental impact of certain projects and for public participation.

³ Total cost of the projects is estimated at € 45 billion, of which € 35 billion should be found between today and 2020 primarily from the national budgets of the countries concerned and international financing institutions, complemented by EU support. ("The High Level Transport Group calls for better transport links with EU Neighbours", EC press release, Brussels, 7 December 2005

impacts such as their impact on greenhouse gas emissions. Likewise projects are not considered in relation to one another, leading to duplication of projects. Therefore the High Level Group should comment on the need for SEA to be carried out for the plans to extend the TEN-T network and clearly state whose responsibility it is to carry this out.

The EIA tool is also very weak in all three countries, which creates a number of deficiencies in decision-making processes, especially in cases of projects' impacts on human health and livelihood quality. The EC, in its further communication on the TEN-T extension, should make support from the EU funds conditional on the implementation of SEA and EIA in a way which would mitigate the negative impacts of the transport projects.

Enforcement of the precautionary principle when transport projects could harm valuable biodiversity sites that are still not protected according national legislation

Infrastructure construction programmes are proceeding much faster than the implementation of nature protection programmes in the neighbouring with the consequence that sites which should be included eg. in the Emerald Network (protected under the Bonn Convention) are not yet legally protected and are therefore threatened by infrastructure development. It needs to be made clear how these sites are to be taken into account during the project development process.

Ensuring sufficient public resources for maintenance of regional transport networks and promotion of sustainable transport modes

While there is huge attention regarding roads of International significance, the Secondary and Local Roads receive lesser attention both from governments as well as IFIs. While inadequate road transportation continues to be a key development constraints in many parts of South Caucasus, there is a need to find the balance and work on investments for smaller projects on the local and national level which benefit citizens more directly than the TEN-T projects.

Meanwhile limited transport infrastructure adds to the cost of doing business and leaves much of population out of the national economy in Georgia. According to the World Bank there is a close correlation between poverty in rural households and the extent to which they are linked to markets. Some 60% of the population lives in areas where the main road is in a bad or very bad condition.

- Ensuring transparency and public participation in project development, implementation and public procurements

In South Caucasus the level of public participation in project development and implementation is very low, and public procurements also raise grave concerns due to the existence of high level corruption and nepotism. If the identified projects are to move forward there is a need for full transparency and public participation based on best European practices.

The HLG should find tools to ensure public access to social, environmental and economic studies of promoted projects, as well as the incorporation of affected communities views in the final project designs. A special monitoring team (that would consist of EU, government, Media and NGO representatives) to ensure public procurement according to EC standards should be created and their reports should be published regularly.

- Ensuring respect for human rights in projects supported by the EC, EIB and other financial institutions where EU members states are involved (such as World Bank, EBRD and ECAs)

Some of the neighbouring countries (Russia, Belarus, the South Caucasus countries) are well known for their poor Human Rights Records, torture and ill-treatment in custody, abusive law enforcement authorities, lack of independence of judges and lawyers and restrictions on freedom of expression. In those circumstances transport projects could directly or indirectly involve the violation of the fundamental human rights, as well as socio-economic and cultural rights.

The EU should require the adoption and recognition of relevant international human rights norms and laws by implementing agencies, as well as requiring the execution of these norms and laws by their clients and host

governments, in addition to requiring the incorporation of Human Rights Impact Assessment into the Integrated Environmental and Social Assessment process.

3. Financing transport investments is a headache. How can the implementation of these axes and horizontal measures be best financed? What could be the role of the private sector and user charges?

Green Alternative believe that all projects implemented under the TEN-T should be economically viable and contain social benefits for the South Caucasus citizens. The main problem is to use existing funds from different sources efficiently and with low costs for society and the environment.

Project promoters should undertake all means to finance the horizontal measures based on EC standards.

Taking into account the fact that Georgia is the main transit country for all South Caucasus countries, and partially also for Turkey, it is necessary to develop fair user charges, to decrease the subsidisation of international roads by Georgian taxpayers.

4. For the implementation and coordination of the recommended actions, the report calls for either a memorandum of understanding or an international agreement – do these help to achieve the objectives? If not, how would you ensure the implementation and coordination of the actions?

The EU is in the negotiation phase with all three Caucasus countries regarding the Neighbourhood Action Plans, and clear requirements on the necessity of implementation of horizontal measures should be incorporated in these Action plans.

For the coordination of recommended measures there is a need for close cooperation between the donors, national governments and a number of international treaty secretariats to comply with EC standards, as well as the obligations already undertaken by countries.

5. The Group has envisaged integrating the existing agreements and memoranda of understandings into a coherent framework. Should an international treaty be envisaged for this?

The EC should make a stronger emphasis on international obligations and support the South Caucasus countries in implementing the Conventions already signed, including the Aarhus Convention on Access to Information, Public Participation and access to Justice.

Sincerely Yours,
Manana Kochladze

Association "Green Alternative"
:Chavchavadze 62, Tbilisi, Georgia, 162
E-mail: manana@wanex.net
www.greenalt.org

Nana Janashia
Caucasus Environmental NGO Network
Caucasus Environmental NGO Network (CENN)
E-mail: nana.janashia@cenn.org
www.cenn.org

Lia Todua
Center for Strategic Research and Development of Georgia (CSR DG)
e-mail: liatodua@csrdg.ge
www.csrdg.ge

