Interior minister to handle hydro power resettlement

by DFWatch staff | Nov 7, 2011

TBILISI, DFWatch – The 1970s mega project to build a dam in Khudoni Valley is moving ahead despite obscure funding and secretive implementation. Last week villagers were told they will have to leave. Their resettlement will be planned by an organization founded by Georgia’s Interior Minister,
Vano Merabishvili (pictured).

Khudoni would have been the second largest hydro power project in Georgia, after Enguri, Europe’s largest. But it was stopped by an environmental campaign over 20 years ago, in which former prime minister Zurab Zhvania played a central role.

But the plans have been resurrected in recent years, and in 2009, an Indian-Georgian company called Trans-Electric signed on to a Memorandum of Understanding, which seems to mean that the plans are set to go ahead.

In the village Khaishi, Trans-Electric had gathered people November 4 to bring them the sad news: the 200 families who live there will finally have to leave, after three decades living next to the half-completed power station. It will be put into operation in May 2018, 73 months from now, it emerged in a report made by Zviad Tkelidze from Studio GNS, which was aired on the independent TV station Maestro on Sunday.

Representatives from Trans-Electric had only one topic planned for the village hall meeting: the renovation of the installations of the power station. But emotions flared when the company’s Georgia director, Paata Tsereteli, said the final decision has been taken and Khaishi will have to be abandoned. His statement was followed by noise and protest from people in the hall.

Despite inviting citizens to the hall to talk about what is going to happen, representatives for Trans-Electric did not make it any clearer who is actually behind the company, and whether it has the necessary experience to implement such a large project, Studio GNS reported. Who the founders are of Trans-Electric is still secret.

But it purports to be a Georgian branch of an Indian company with the same name, registered in the Virgin Islands. Present at the Khaishi meeting on November 4 was a Mr Sharma, who was introduced as the chief director of the Indian company. But on the company’s webpage, Sharma is described as an external consultant for the company.
David Chipashvili from the non-governmental organization (NGO) Green Alternative was present, and asked who the founders of the company are.

One of the company representatives answered: “I myself, as today’s representative of this company, have no competency. I have no idea what to answer. This hydroelectric station won’t be built by Trans-Electric. It will have a contractor which will build it.”

**Interior minister organizing the resettlement**

The World Bank has been positive to a renewed Khudoni development, and only noted local environmental consequences. In projects of this kind, there needs to be done what’s called an environmental impact assessment to have a clear picture of what negative effects it will have for society and nature. In this case, the impact assessment is being carried out by Caucasus Environmental NGO Network (CENN). It is expected to be finished by February 2012.

Adding to the questions surrounding Khudoni, it’s unclear whether the contractor, Indian Compani CGVN, will actually be able to carry through. CGVN is Indian state company and is being financed by the Indian Energy Ministry.

According to Manana Kochladze of the NGO Green Alternative, the board of CGVN perceives the project as high risk, and asked their ministry for additional funding, but received a “no” in February this year, because the ministry shares their view that this is a high risk venture for a number of reasons, including technical.

Still Trans-Electric hopes to finalize negotiations with the local population by April 2012 about their resettlement due to flooding. A resettlement action plan is being prepared by something called The Association for Protection of Landowners’ Rights, one of the founders of which is Georgia’s Interior Minister, Vano Merabishvili.

*(Pictured above is Minister of Internal Affairs of Georgia, Vano Merabishvili. Photo: Kober.)*