A public debate over the fate of the Khudoni dam in Khaishi, a high mountainous region in west Georgia’s Svaneti region, remains tense. On September 17, as a public hearing on the issue was in progress, villagers in Khaishi turned out in significant numbers to the hearing to express their harsh opposition to the mega-dam project.

Environmentalists complain that locals opposing the project have been intimidated by authorities and the project developer, Transelectrica Ltd.

“Bankwatch representatives in Khaishi today were told how one day before the consultations, the deputy head of the regional police department and the Transelectrica director present in the village warned locals not to put up posters critical of the project or protest against it,” a press statement released on Tuesday jointly by Bankwatch, Central and Eastern European network for monitoring the activities of international financial institutions and Green Alternative Georgia, Tbilisi based environmental NGO, stated.

According to the statement, before the consultations began on September 17, an unprecedented police presence was visible in front of the municipality building where the debate took place.

Transelectrica, an international company created to invest in Georgia’s energy sector and registered in the Virgin Islands, bought the land where the Svan homes are located for $1 from the Georgian government.

“The company and authorities here are working too closely together for locals not to suspect some wrongdoing,” commented Dato Chipashvili, a Bankwatch Georgian campaigner. “People were not allowed by officials to register their land, which made it easier for the company to purchase it for $1. This and the fact that apart from the tax money, and there are no real benefits from this dam project, this makes us all suspect that corruption is involved.”

A Public hearing on Tuesday was part of the environmental and social impact assessment procedure that must be completed before the 700 megawatt, $1.2 billion project can be implemented. Georgia’s Deputy Energy Minister, Ilia Eloshvilli, Transelectrica representatives, and locals from Khaishi, attended the hearing.

The Khudoni dam project is one of over 40 hydro-power plant projects shaping-up in Georgia today. Authorities argue that the country needs more dams to meet domestic electricity needs, even though the country is already a net exporter of electricity.

"We need hydro-power plants for strategic purposes and we have to understand this very well. Energy-independence will be the fundamental basis for our independence," President of Georgia, Mikheil Saakashvili said while addressing the local population in Shuakhevi, in Adjara on September 16. "We should manage to construct as many HPPs as possible. Tomorrow, the issue of Khudoni dam will be discussed and I call for the Svan people to be patient and show understanding,” he added.

The Construction of the Khudoni dam has invited much criticism from environmentalists and human rights groups. Over 2,000 indigenous Svans would be displaced if the project goes ahead.

Georgia’s greens believe that instead of supporting mega projects, Georgia should opt for the construction of local, micro power plants that are capable of generating cheap electricity to power the local community. "The Khudoni dam is not needed in Georgia, it would only profit the companies that will export the electricity,” Chipashvili says.

The Khudoni dam was designed by the Soviet Union and construction began in 1979. Fierce protests by locals and members of the pro-independence movement convinced authorities to halt the construction work in 1989. However, successive post-Soviet Georgian governments once again began looking for investors for the Khudoni project.

In 2005, the World Bank approved a technical assistance grant for Khudoni to prepare to host the preliminary studies, environmental impact assessments and a resettlement action plan, which further stimulated the Georgian government to proceed with the project.

By Nino Edilashvili
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