

# Report says Georgia's 280-MW Nenskra hydro plant violates international standards

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September 9, 2020



After more than two years of investigation, the 280-MW Nenskra hydro plant in Georgia has been found to be non-compliant with the standards of two international financial institutions, reports CEE Bankwatch Network.

The project does not meet the requirements of the European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB) in the following areas of human rights and environmental protection: indigenous people's rights, protection of cultural heritage, gender issues, assessment and management of environmental and social impacts, information disclosure and engagement of local communities and other stakeholders.

The investigation of Nenskra was launched after CEE Bankwatch Network, Georgian non-governmental organization Green Alternative, and community representatives from the potentially affected areas submitted complaints to EBRD and EIB in 2018.

JSC Nenskra Hydro, the plant's development company, is building the facility in the Nenskra and Nakra river valleys in Mestia municipality of the Svaneti region, in Northwest Georgia. The scheme includes a 130-m-high dam that will impound Nenskra River creating Nenskra Reservoir, which will have a live storage of about 176 million m<sup>3</sup>.

Both EBRD and EIB have approved loans for the Nenskra project, in the amount of US\$214 million and US\$150 million, respectively. However, neither has signed the final loan contracts. The Asian Development Bank and the Asian Infrastructure Investment Bank are also involved in the project and are considering loans totaling US\$414 million.

Nenskra is intended to be one of the largest dams in Georgia's plans for massive hydropower installations in the Upper Svaneti region. JSC Nenskra, a joint venture of Korea Water Resources Corporation and the Georgian State's Partnership Fund, is the Nenskra project promoter. The project was also financed by the Korean Development Bank.

"EIB Complaints Mechanism confirmed our allegations that this project simply violates the rights of the impacted community of Svans who risk their livelihood and culture being swept by the Nenskra project," said Anna Roggenbuck, EIB policy officer at CEE Bankwatch Network. "The Mechanism confirmed that the project has been improperly implemented from the very beginning starting with the problematic consideration of the project's alternative option. It is hard to imagine how the Bank could now effectively prompt the necessary corrections. Withdrawing public financing for this project is the only right way in this case."

It is not clear what the next step is in development of this project.