

9th June 2022

To: The Business and Human Rights Resource Centre
Address: [2-8 Scrutton Street, 2nd Floor, London, EC2A 4RT, UK](#)
Contact number: +44 (0) 7720259769

Subject: Invitation to respond to online articles on “Nenskra Hydropower Project”

Dear Sir/Madam:

The project company welcomes the opportunity to respond to online articles published in regard to the development of the Nenskra Hydropower Project.

- “Investors: Georgia’s Nenskra Dam violates Svan rights”, 18 September 2020, *OC Media*: <https://oc-media.org/investors-georgias-nenskra-dam-violates-indigenous-rights/>
- “Status update on the Nenskra hydropower plant project”, 9 October 2020, *CEE Bankwatch Network*: <https://bankwatch.org/blog/status-update-on-the-nenskra-hydropower-plant-project>
- “Case Study - Gender impacts of Nenskra hydro power plant”, 31 October 2016, *Green Alternative*: <https://bankwatch.org/wp-content/uploads/2017/06/NenskraHPP-gender-impacts-31Oct2016.pdf>

Company Response

The Nenskra Hydropower Project is one of the major hydropower developments in Georgia, located in the Nenskra and Nakra valleys in the municipality of Mestia, in Samegrelo-Zemo Svaneti Region, with a planned power generation capacity of 280 MW. In line with international policy requirements of potential project financing institutions, including the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), and the Korean Development Bank (KDB), and in line with the national regulations for major hydropower generation developments in Georgia, the project undertook a further assessment of environmental and social impacts in areas to be affected by the Nenskra Hydropower Project development, and developed enhanced mitigation measures and management plans to protect the interest and rights of project affected peoples, including vulnerable groups such as women, youth, children, people below the poverty line, and people with disabilities among others.

Between 2020 to 2022, the project strengthened its environmental and social management system, established the protocols for stakeholder engagement with local community members and a functioning grievance redress mechanism. Periodic environmental monitoring, additional field investigations, socio-economic profiling, further assessment of environmental and social

risks and impacts assessment were undertaken by the project. The assessment informed the detailed environmental and management plans (ESMP), which are to be implemented by the EPC contractor during the main construction of the Nenskra Hydropower Project, and the project operating company throughout the project's operational life. The enhanced mitigation measures and management plans specify the procedures, roles and responsibilities, management actions, training requirements, timeline for implementation, and monitoring and evaluation of performance indicators, to eliminate, if not minimise, project environmental and social risks and hazards within the project's area of influence.

The following studies were undertaken and the reports are under review by independent parties and potential Lenders group.

- Cumulative social impact assessment considering other hydropower project developments and industrial-community activities within the Nenskra and Nakra catchment areas (October 2020).
- Updated land acquisition plan for all land areas to be permanently and temporarily occupied by the Nenskra HPP development, including the plan for implementing detailed livelihood restoration measures for the economic displacement of customary or traditional pasture and forest land areas, and registered private lands in Nenskra and Nakra valleys (March 2022).
- Gender impact assessment, which involves inclusive and informed consultations with affected villages; free participation of local community representatives; robust environmental, social and gender impact assessment of the project and its alternatives; and investigation of all risks related to the project on local communities health and safety; and based on the impacts and risks assessment, the gender mitigation action plan was defined, with an enumeration of management measures and tasks to address gender-related project issues, including a timeline for implementation, and monitoring and evaluation of key performance indicators (March 2022).
- Cultural heritage impact assessment covering an inventory of both tangible and intangible cultural heritage elements identified by the National Agency for Cultural Heritage Preservation (NACHP), and also those important elements which were identified by local communities during consultation meetings held in November 2021 in Nakra valley and in February 2022 in Nenskra valley, and social surveys held between October to December 2021 (May 2022).
- Climate change and natural hazards risks assessment and management plan, with nine tasks – (1) assessment of potential future climate change, (2) setting up and calibration of the hydrological model, (3) simulations of future hydrology under different climate model projections, (4) development of hydropower model capable to simulate Nenskra HPP system, (5) energy generation simulation of Nenskra HPP for different periods, (6) analysis of Nenskra dam safety performance related to future flood conditions, (7) analysis of effects of climate change on natural geohazards, specifically landslides, slope

instabilities, debris flow, rockfall, snow avalanches, and glacial lake outburst floods (GLOF), (8) semi-quantitative assessment of expected mean annual sediment yield within the project catchment areas for baseline and future conditions, (9) assessment of future environmental flow performance and changes in water temperature in the light of climate change (May 2022).

- Additional environmental and social impact assessment of project areas and components not fully assessed in the 2017 SESS, including the disposal areas at the powerhouse, location of the EPC contractor technical installation and workers camp, the access road to the Nakra working areas, power supply line to be used during the construction phase. Assessment and reporting are anticipated to be completed by the end of June 2022.
- Definition of construction related environmental and social management plans (CC-ESMP), in line with the project commitments defined in the Volume 8 Environmental and Social Management Plan [CC-1] and [OC-17] https://nenskra.ge/wp-content/uploads/2017/04/Vol-8_ES-Nenskra_ESMP_Nov-2017.pdf.
- For the associated facilities, particularly the power evacuation line or transmission line to be used to transfer generated electricity to the main grid; this transmission line will be built and operated by the Georgian State Electrosystem (GSE), and as such, the environmental and social impact assessment (ESIA) was undertaken as part of the Energy Network Improvement Project of the government. The ESIA report is disclosed here: <https://www.gse.com.ge/projects/international-projects/ENIP/Environmental-and-Social-Impact-Assessment-Report>.

JSC Nenskra Hydro invites interested stakeholders to access the information and independent compliance monitoring and review reports prepared by the Independent Project Accountability Mechanism (IPAM) of the EBRD. The Third Management Action Plan (MAP) Compliance Monitoring Report of IPAM was published on 13 May 2022, while the first two MAP monitoring reports were issued on 22 April 2021 and 23 November 2021, respectively. The reports can be accessed on this website: <https://www.ebrd.com/work-with-us/projects/ipam/2018/08.html>.

If anyone wishes to request a copy of the project's environmental and social studies or is interested to discuss the findings of these studies, please write to us: info@nenskrahydro.ge.

All project news and updates are disclosed on the project website at <https://nenskra.ge/>.

Sincerely,

HAN GOO LEE
Chief Executive Officer
JSC Nenskra Hydro