



**GREEN**  
*Alternative*

# Annual Report 2006



## Foreword

Towards the EU – The plans to become good neighbor ?!

Unfortunately, today the degradation of natural resources and limited access to them are both facts of life in Georgia. The poor environmental governance that has been case for the decades nowadays represent the major challenge for Georgian people. The problem is clearly evidenced by the natural catastrophes that have become particularly frequent in recent years (they are often caused by excessive logging, grazing and high density of population) and increased number of so-called eco-migrants. The close interrelationship between poverty and environmental governance request from us to take more firm stand in order to protect the local communities livelihood. It requires from us to resist to the dubious investments in order to prevent development of unsustainable development models involving environmentally and socially damaging plans promoted by national governments.

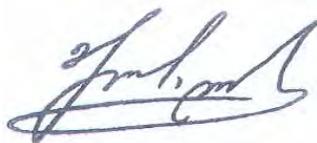
The Georgia-EU Action Plan under the European Neighbourhood policy has been signed in November 14<sup>th</sup> 2006. The Action Plan underlines necessity to "adopt legislation and establish procedures regarding access to environmental information and public participation, including implementation of the Aarhus Convention" ,"to ensure that conditions for good environmental governance are set". Till now it is only document committed by government, that underlines the importance of the participatory environmental governance and environmental protection in General to ensure the truly sustainable economic-social development of Georgia.

However, we believe firmly that the signing of the Action Plan is not enough, if the civil society of Georgia would not be able to ensure that the country in on the right track in terms of democracy, environmental protection and sustainable development. The challenge is that we need to become good neighbors of the European Union, through adopting of the best practices and harmonizing the laws. In order to equip the civil society with the new knowledge around the challenges and opportunities for Georgia formed by European Neighborhood Policy, Green Alternative tries to do its best to increase capacity of local groups to be involved in policy dialogue and bring local concerns and highlights to the all level of decision-making. Continuing the challenging "Greening the ENP" process together with our international and local partners we hope that year 2007 would create the basis for good neighbor concept from Georgia's side.

*On Behalf of Green Alternative*

*Manana Kochladze*

*Chairwoman*

A handwritten signature in blue ink, appearing to read 'Manana Kochladze', is positioned to the right of the text identifying her as the chairwoman.

## History

Association Green Alternative was registered in 31 July 2000. As the membership organization Green Alternative includes 19 active members nowadays and eight staff person. The organization was formed from the group of leading campaigners of Friends of the Earth Georgia and accordingly activities carried out by organization are largely the continuation of previous work.

## Mission Statement

The mission of Association Green Alternative's is to create framework for economically viable and socially desirable alternatives to protect environment; to protect Georgia's unique biological and cultural heritage; and to advocate for social justice and public participation in decision - making.

It pursues this mission through the public awareness raising campaigns, resistance to environmentally and socially destructive programs and project, promotion of the principles of equity and justice in the society and support to local industry and community development.

Association tries to increase public participation in decision-making process through the capacity-building of local NGOs and grassroots, help in "know how" transfer and developing easily replicable and visible pilot projects benefiting local communities.

Since its foundation, Green Alternative is a part of the CEE Bankwatch Network, one of the most effective environmental campaigning organizations in Central and Eastern Europe. The CEE Bankwatch Network is an international non-governmental organization (NGO) with member organizations from Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Lithuania, Latvia, Poland, Slovak Republic and Ukraine. The basic aim of the network is to monitor activities of International Financial Institutions (IFIs) in the region, and to propose constructive alternatives to their policies and projects in the region. The Network is focusing mainly on energy, transport and EU enlargement, while working to promote public participation and access to information about activities of IFIs in the CEE region.

## Main Program Areas

- Monitoring International Financial Institutions and International financial flow in Georgia;
- Trade, Environment and Sustainability;
- Energy/Climate Change Program;
- Biodiversity;
- Poverty Reduction Program



## Key achievements 2006

We successfully advocated for preventing implementation of the State Forestry Reform for introduction of long-term lease of forest resources, till the elaboration of new Forest policy.

We exposed corrupt practices in the state authorities: based on the research and information collected in the regions, also information provided by whistleblowers, the report was published on the legal and administrative shortcomings and gaps that promote corruption and illegal logging in forest sector of Georgia.

We reviewed forestry related legislation and prepared recommendations to ensure transparency and public participation in the decision making related to forest sector. Not all recommendation were taken into account by the decision-makers, however, meaningful changes were made in forest related legislation.

We mobilized local groups to fight with illegal logging and provided local active groups and ordinary citizens with guide on how to prevent and monitor the illegal activities in forestry sector.

We prepared recommendations and guide book for custom officials and environmental inspectorate agency on how to prevent illegal transportation of endangered plant species.

We analyzed endangered species trade in Georgia and prepared recommendations for improvement of legislation and law enforcement.

We provided legal advises to local communities affected by mining practices in Chiatura and Bolnisi regarding the negotiations with governmental authorities/investor company concerning the compensations for applied damage, employment, social and health safety measures, execution of the contracts conditions, etc; and to increase access to information and knowledge of legal rights and remedies by the affected communities, we prepared guide on their socio-economic and environmental rights.

We collected documentary, photo and video materials showing alarming impacts of manganese extraction in Chiatura and gold extraction in Bolnisi on natural environment and public health and property.

Together with our partner group “Article 42 of the Constitution”, we submitted law suite to the Constitutional Court of Georgia on law of Georgia on “Licenses and Permits”, demanding cancellation of the unconstitutional changes in legislation of Georgia infringing upon human rights and causing irreversible damage to environment of Georgia. We requested to recognize as unconstitutional I paragraph of Article 20 and I paragraph of Article 26 of the law of Georgia “On licenses and Permits” in terms of 5th paragraph of Article 37 of the Constitution of Georgia, under which right of receiving full, objective and timely information on state of your working and living environment is guaranteed.



We reviewed Georgian laws and regulations related to State Property Privatization to identify gaps and deficiencies to ensure transparency and provide opportunities for public to participate in and influence the decision-making process during the privatization process.

We analyzed existing setting of the Tbilisi municipal waste collection system and provided city government with recommendations for the effective policy setting for municipal waste management in the capital city of Georgia.

We continued extensive monitoring of the construction and operation of the BTC pipeline, and its impact on Georgian

people. The number of the international recourse mechanisms, including IFC Ombudsman, EBRD IRM and OPIC Compliance mechanisms is under the use to protect the rights of affected communities/individuals.

We mobilized Georgian civil society efforts to stop destructive Khudoni Dam project, promoted currently by the Georgian government and the World Bank. With a variety of potential new dam projects said to be offering solutions for Georgia’s energy crisis, we have spread the word that few benefits are in terms of energy supply for Georgians – most of it will be exported – will be overshadowed by huge environmental and social costs.

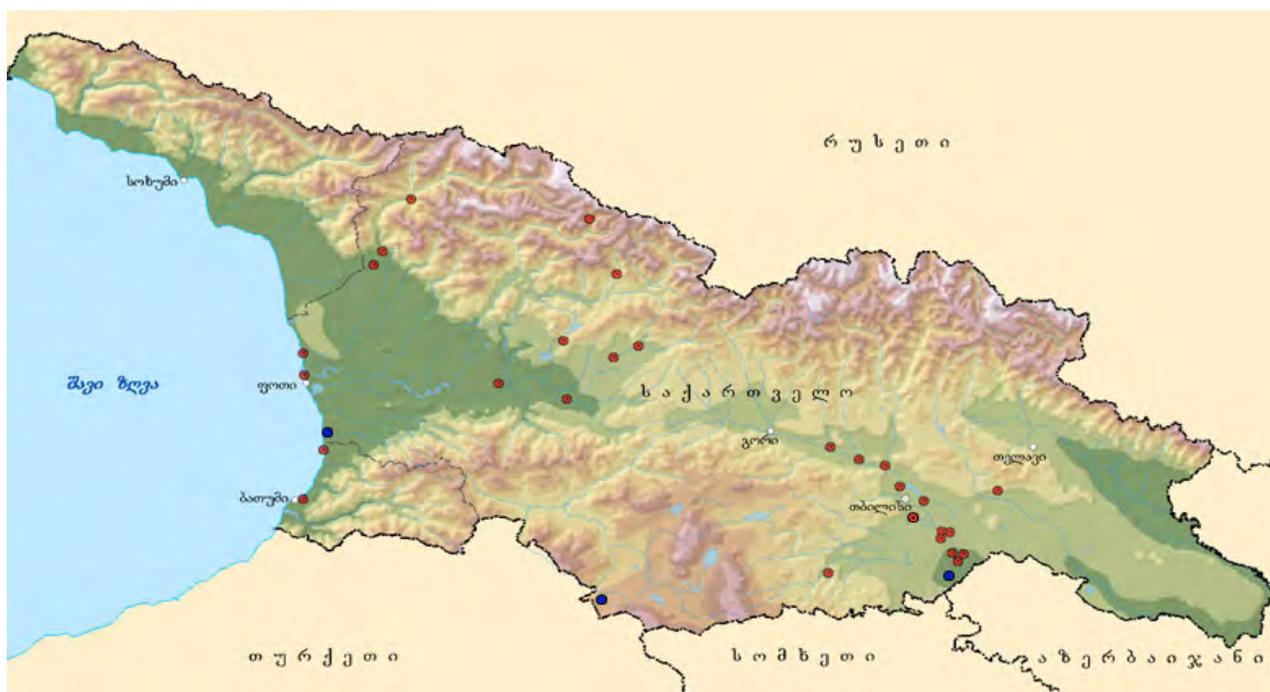
We actively monitored EU-Georgia Action Plan negotiations process and provided both EC officials and Georgian government recommendations what should be included in the plans on sustainable development, poverty reduction and environment protection.

We assessed development of the environmental governance since the Rose revolution and underline the importance of participatory principle for successful implementation of the EU-Georgia Action Plan.

We officially launched new web-page (<http://www.forestgeo.net>) dedicated to the problems that environment of Georgia and communities are experiencing due to the forest illegal logging and unsustainable forest practices.

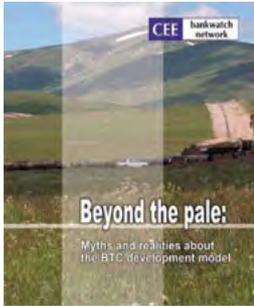
## KEY OUTPUTS IN 2006

### Interactive map of controversial projects



In order to raise civil society’s awareness on the most acute environmental problems in Georgia and their impacts on public health and country’s economy, interactive web-based map had been developed. It shows environmentally harmful, unsustainable or controversial projects implemented and/or planned in Georgia.

For each project the summary is provided that includes the following information: brief description of the project, the owner of the project, the funding sources, debate around it stage of decision-making and etc. In addition, helpful hints for the possible actions that civil society representatives could take about the decision-making on the specific developments is provided.



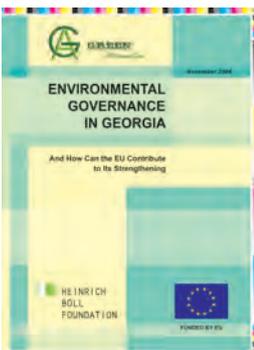
## Bayonh the Pale: Myths and realities about the BTC development model

The BTC pipeline may now be operational but, as Green Alternative and Bankwatch's ongoing monitoring project continues to discover, there is still unfinished business related to the lingering effects of a highly problematic construction process.



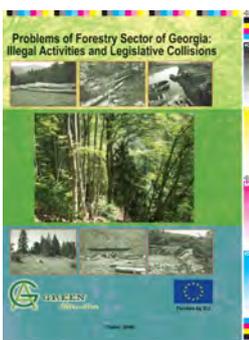
**BOOM TIME BLUES** – Green Alternative provided input to CEE Bankwatch Network/Gender Action excellent master piece studying Big oil's gender impacts in Azerbaijan, Georgia and Sakhalin.

“Warm and sincere congratulations to your three terrific authors on this exceptionally timely and well researched publication. I hope that it will be very effective in improving the track record of such projects in future and preventing such outrageous and unacceptable behavior for all time.” - Robert Goodland, former head of World Bank Environmental Department



## Environmental Governance in Georgia and how the EU could contribute its strengthening

The report identifies two stages in the development of the environmental governance system in Georgia: (i) 1990s and the period before the 2003 Rose Revolution and (ii) the period after the Rose Revolution to the present. Its authors found that changes made during these periods were not made in a transparent way and in consultation with the stakeholders. Opportunities for the public to be informed and to participate in decision-making were limited. It concludes that during implementation of the EU-Georgia Action Plan, the European Community should pay close attention to monitoring of Georgia's compliance to international conventions, including the Aarhus Convention.



## Problems of Forestry Sector of Georgia: Illegal Activities and Legislative Collisions

This Report reflects the typical violations, which were revealed by Green Alternative in a course of investigation of illegal activity and practices in forest sector of Georgia. Also, the Report describes conditions, which, from our point of view, promote high level corruption and illegal activities in the forestry sector. The report raised active discussions in Ministry of Environmental Protection and Natural Resources and relevant Parliamentary Committee. As a result, “law for changes and additions in law on Licenses and Permits” was adopted to regulate extraction of some non-wood plant products; Government Regulation and Decrees of Minister of Environmental Protection and Natural Resources were adopted, according to GA recommendations, to ensure fuel wood supply to local communities; Changes were made in Crime Code and Administrative Infringements Code of Georgia to eradicate collisions; Decree of Minister of Environmental Protection and Natural Resources #197, 18 July,2005 was abolished according to the GA recommendation.

## Income and Expenditure Account in 2006

Income	GEL	EURO
Grants	245594 GEL	111 162 EURO
Private contributions	0GEL	0 EURO
<b>Expenditures</b>		
Salaries, honorariums	136167 GEL	61614 EURO
Communication (internet, phone, post)	6495 GEL	2939 EURO
Meeting, Workshops, outreach activities	10055 GEL	4550 EURO
Travel within the country	16456 GEL	7446 EURO
Travel outside of the country	25354 GEL	11472 EURO
Services (film, legal services and etc)	2448 GEL	1108 EURO
Publications	27635 GEL	12505 EURO
Operation Costs (administrative, bank costs, cleaning ups.)	29648 GEL	13415 EURO
Purchasing of main assets	1305 GEL	591 EURO

### Balance Sheet, December 2006 in GEL

Assets	31 December, 2005	31 December, 2006
Cash in desk	60	68
Money in Bank	59369	66579
Claims to personnel		
Claims to state budget	12187	16688
Prepayment to suppliers	0	959
<b>Current assets</b>	<b>71616</b>	<b>84294</b>
Office equipment	55148	42926
Other basic assets	6949	6311
<b>Fixed Assets</b>	<b>62097</b>	<b>49237</b>
<b>Total Assets</b>	<b>133713</b>	<b>133531</b>

Liabilities		
Prepayment received due salaries	0	0
Liabilities to personnel	6480	23877
Short term loans due income tax	7139	11114
Due excise-duty social taxes	1101	3476
<b>Current Liabilities</b>	<b>14720</b>	<b>38467</b>
Authorized capital stock	4256	4256
Other reserves and targeted financing	114737	90808
<b>Total Equity Capital</b>	<b>118993</b>	<b>95064</b>
<b>Total Liabilities and Equity Capital</b>	<b>113713</b>	<b>133531</b>

### From auditors report

“In Our opinion, the financial statements give a true and fair view of the expenditures and financial position of the “Green Alternative” of December 31, 2006”

Audit report is designed by Gss Audit

Representative of DFK International in Georgia

### Main Donors in 2006 :

**Open Society Institute - Budapest;**  
**VROM;**

**CEE Bankwatch Network;**

**Global Green Grants;**

**European Comission DG Environment;**

**Sigfrid Rausing Trust**



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