



GREEN
Alternative



Annual Report
2005

TO PROMOTE BETTER AND GREEN DECISION-MAKING

The dreams of Rose Revolution that the new government would bring the higher standards of democracy and environmental governance have gradually dissolved.

The majority of laws adopted in 2005 will have direct negative impact on the state of the environment, but what is more devastating the new government believes that protection of the environment hinders the development of business in country. As high officials claim, protection of the environment is the privilege of developed countries and it could only be protected in private hands; thus, all assets, including protected areas, forests and even watersheds should be privatized.

The privatization, core of liberalization policies, promoted by number of International Financial Institutions, with accelerated speed reached and echoed through out Georgia. Georgia is in the road of repeating the experience of a number of developing countries, where private investments in the natural resources sector has boomed and the abilities of national governments to regulate these investments and protect their citizens' access to natural resources has been greatly diminished. We start to see the results of neoliberal doctrine seriously undermining democratic processes around the world and also in Georgia.

We would like to finish this foreword with following questions by Ricardo Navaro: *“What about the costs? What about the pollution caused by environmental exploitation? We too often see that these costs are being socialized, while the benefits are being privatized...” Do our government and liberalization promoters have clear answers on these questions?*

Green Alternative's Board

*Nino Gujaraidze
Manana Kochladze
Nino Akhobadze*

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



BTC PIPELINE CAMPAIGN

The Eurasian crossroad became politically and economically prominent. Heavy investments are made by leading international oil conglomerates and International Financial Institutions for the discovery, drilling and transportation of the area's energy resources that threaten fragile and unique ecosystems of the Caspian Sea and the Caucasus. The 1,770-km long Baku-Tbilisi-Ceyhan (BTC) pipeline will transport up to one million barrels per day (bpd) – 50 million tonnes per annum – of crude oil from an expanded Sangachal terminal near Baku in Azerbaijan, through Georgia to a new marine terminal at Ceyhan in Turkish Mediterranean.

In 2006 BTC pipeline will start operation and first tanker full with Caspian oil will leave Ceyhan Oil Terminal with noisy celebrations. Unfortunately, the BTC Pipeline poses unacceptable risks to the human health and natural environment of the region, due to the shortcomings in planning and construction phases of the project and ignorance of the international standards, law and practice, including the EBRD and the IFC safeguard policies,

While project has been and still considered as a model of development and poverty alleviation by the IFC and the EBRD the reality in the region is different. Communities along the route experience number of the problems, including losing entire livelihood due to the construction damage, improper property compensation, health related problems and access to clean water, in some areas infrastructure is fully damaged, while promised development impact and poverty alleviation disappeared as a snow.



The number of unresolved issues, as the problems of transparency and corruption, violations of European Human Rights Law, uncertain impact of the Host Government Agreements on the affected countries' further development, and the pipeline's negative environmental, health and social impacts still require solution.

Campaign activities in 2005

Green Alternative to examine the fact why BTC could not be considered as the model of development and poverty alleviation for further projects and how it specifically breaches IFC and EBRD standards, as well as other international standards BTC Co has committed to apply (including OECD Guidelines for Multinational Enterprises, EU requirements).

Green Alternative discovered violations of both IFC and EBRD standards and of commitments undertaken by the BTC project promoters. A number of trips to the regions have been organised to find out ongoing developments with the pipeline construction and follow up work has been done. Among the newly discovered issues were problems with the protection of cultural heritage, the transparency of BTC Co supported grants to the Georgian Government, problems with the implementation of the BTC State Environmental Permit Conditions, including problems related to the waste management, alternative water supply, the security of pipeline, problems with welding and field joint coating, and increased traffic. The recent problems include violation of Resettlement Action Plan, non-compensation of community lands for three years, and disputable question on land returning.





Lobby Trips

On behalf of Green Alternative, Ms. Kety Gujaraidze, participated in the European Speakers Tour on the Extractive Industries, together with the activists from Nigeria, Ghana and Guatemala, to discuss the impact of World Bank investments in the oil, mining and gas sectors. The meetings were held with high level officials from the Ministries of Foreign Affairs and Finances as well as parliamentarians from Netherlands, France and UK. She also had opportunity to spoke at different public venues such as London School of Economics and meet with the media.

Strategy Meeting

In September 2005, Green Alternative organized an International Strategy Meeting on the BTC campaign in Tbilisi, Georgia. Meeting has been attended by a number of groups from UK, Germany, France, Netherlands as well as representatives of international NGOs (Bankwatch, FOEL, FOE EWNI, URGEWALD, The Corner House, WWF, etc), in order to define a strategy on how to keep the BTC pipeline under public scrutiny. While the construction of the pipeline is almost finalized, nevertheless there are a number of unresolved problems (land, damages to local infrastructure and economy, potential to oil spills) and it is expected that its environmental and social impacts are set to worsen. Thus the groups attending the meeting decided to increase campaign efforts to scrutinise the pipeline during the operation phase over the coming years, to demand resolution of the many still existing problems.

The Strategy meeting was followed by Fact Finding Mission (FFM) in Georgia and Turkey. The FFM discovered the number of violations, including Human Right abuses, damage of heritage sites, pollution of drinking water, income losses and etc.

Work with decision-makers

Green Alternative representatives had number of meetings with Georgian authorities, the EBRD, IFC and IFC CAO/Ombudsman representatives regarding issues related to BTC construction. Meetings were also held with representatives of the Caspian Advisory Panel and Hoally Foag, a law firm monitoring the human rights situation with regards to the pipeline project. As well as with, Georgian International Oil Corporation and Georgian Government regarding the concrete problems of pipeline (landslides, compensation, quality of pipe cover).

Green Alternative organized the information gathering mission of UK National Contact Point for the OECD Guidelines in Georgia, as well as commented on the Terms of References. The purpose of the trip was to check on the ground violations described in BTC International Campaign complaint under the OECD Multinational corporations Guidelines mechanism in UK, France, US and Netherlands.

Facilitation of public participation

Green Alternative with the support of the local groups in regions of Georgia continues to facilitate the public participation process for affected people and local communities through provision of necessary information regarding BTC pipeline ongoing and planned activities, explaining people's socio-economic rights, BTC grievance mechanism and international redress mechanism to public.

Declaration on the BTC pipeline by civil society organisations

On 14 and 15 September 2005, civil society organisations from Azerbaijan, Georgia, Turkey and Europe met in Tbilisi, to plan the next phase of their scrutiny of BP's Baku-Tbilisi-Ceyhan pipeline.

As the pipeline is soon to begin pumping oil, its environmental and social impacts are set to worsen. The campaign plans to intensify its efforts to defend local people's human rights and the environment, and to hold BP and the project's financial backers to account.

Construction of the project has been proceeding for around two and half years, and has been a disaster for the people and environment of Azerbaijan, Georgia and Turkey.

Whereas many people living on the route supported the pipeline before construction started, persuaded by the promises that it would bring development, now a majority oppose it, having seen those promises broken.

People have lost their land, and with it their livelihood, often with minimal or no compensation. In Georgia, for example, the compensation is still disputed on 30% of land plots. Furthermore, in Azerbaijan, communities have not been compensated for the loss of municipal and public lands.

Roads and houses have been damaged by the passing of heavy trucks – mostly unrepaired and uncompensated by BP. Dust from construction activities has damaged people's health and contaminated food production.

International labour standards have been violated in all three countries. Workers from the three countries themselves have been paid a fraction of what foreigners have earned for the same jobs, have been kept in inadequate living conditions, and have been subject to short-term contracts and arbitrary dismissal.

The project has bulldozed through protected areas, and has violated its environmental permits. In the vital Borjomi-Kharagauli National Park in Georgia, through which the pipeline passes, experts still feel that BP has not justified its route selection, nor given any realistic assessment of the risk to the area or to the mineral water produced there.

Yet this is only the start. When the pipeline begins pumping oil in the coming months, its most severe impacts will begin.

Human rights violations are expected as the host states move to defend the pipeline, and critics of the project have already been subject to intimidation and arrest.

Also as the oil starts to flow, a central question will be whether the revenues are distributed accountably and fairly, or whether they will increase corruption and strengthen undemocratic institutions. Furthermore, communities will face a serious threat from pollution. As has been extensively documented, there have been major flaws in construction standards, including anti-corrosion measures and engineering, which create a high likelihood, and some say an inevitability, of spills.

Therefore, the organisations present at the meeting resolved to increase their efforts to scrutinise the pipeline during the operation phase over the coming years, and to continue to demand that the many still unresolved existing problems, as outlined above, are addressed. Specifically, they agreed to focus on:

- Enhancing systems for monitoring the impacts of the pipeline, both in the three countries and through international fact-finding missions – and publicising these results.
- Working with individuals and communities whose rights have been violated to seek redress, through local, national and international courts and through institutional recourse mechanisms, and to press for proper, independent and accessible mechanisms for redress.
- Examining the broader economic, social, human rights and environmental impacts of the pipeline on the three countries.
- Holding to account the companies and financial institutions that backed the pipeline, and pushing for their urgent reform, ensuring that the problems of BTC are not repeated in their future projects.

The project proponents aim to portray the project as now 'over'. On the contrary, we civil society organisations believe it is not 'over' as long as people's rights and the environment are violated, and as long as the benefits of the pipeline are unfairly shared.

The campaign is only just beginning....

Signed:

Manana Kochladze, CEE Bankwatch Network

Mayis Gulaliyev, Centre for Civic Initiatives, Azerbaijan

Mirvari U. Gahramanli, Committee of Oil Industry Worker's Rights Protection, Azerbaijan

Kety Gujaraidze, Green Alternative, Georgia

Tamuna Kurtanidze, Association Borjomi, Georgia

Ferhat Kaya, DEHAP, Turkey

Hannah Ellis, Friends of the Earth (England, Wales & Northern Ireland)

Mika Minio, PLATFORM, UK

“The Source” Film

In August 2004 Green Alternative in cooperation with the Bankwatch and Bionaut shot fifty hours of unique material in Azerbaijan, allowing the production of a film that covers almost all aspects of the oil industry and the BTC pipeline in Azerbaijan. The “Source/Zdroj” documents the social and environmental implications of the IFI-funded BTC pipeline in Azerbaijan, which continues to be dogged by controversy and is due to deliver Caspian oil to the first tanker at Ceyhan in the fourth quarter of this year. The 75 minute film (In Czech, Russian, English and Azerbaijani with English subtitles) features interviews with BP officials, local state authorities, and local NGOs.

At this year’s renowned ‘One World international human rights film festival’ in Prague, “The Source”, a Green Alternative/Bankwatch co-produced film directed by Martin Marecek, received a Plzenský Prazdroj Audience Award for the film which met with the most positive response from members of the audience. The Source was also awarded with a special mention by members of the festival’s Grand Jury, comprised of acclaimed personalities in the world of documentary film, according to whom: “The film documents the resistance and endurance of local communities that are being dispossessed of their living means in the interests of sucking the world’s energy sources and converting this to profit. The jury acknowledges the expressiveness of the film’s story and its strong ties to the world we live in.”

The film also received the international jury prize and an award from the Czech Ministry of Environment at the Ekofilm festival in Cesky Krumlov, Czech Republic and was also awarded the prize for outstanding eastern European documentary film at the International Leipzig Festival for documentary and animated film. The Source would be presented in Human Rights Watch 2006 International Festival in April.

Pumping Poverty, Speaker Tour

The Association Green Alternative also translated in Georgian the Friends of the Earth International film “**Pumping Poverty, Speaker Tour**” that has been shot within the campaign to end International Financial Institutions’ funding of oil, mining and gas projects.



Development of Local Capacity for Prevention of Illegal Logging in Georgia

Green Alternative pays particular attention to the decision-making that might affect Georgia's biodiversity and specifically, forest resources. The organization takes active steps to protect unique forests of the country and to promote sustainable use of forest resources. Since 2005 Association intensively works to develop capacity of local stakeholders to prevent corruption and illegal activities in the forestry sector in three regions of Georgia – Samtskhe-Javakheti, Kolkheti Lowland and Racha. These regions are well-known for its unique biodiversity and extensive illegal loggings; working area covers two national parks¹.



Independent Monitoring Network

The Independent Forest Monitoring Network consisting from number of active local (also from other areas) and national groups has been created with Green Alternative support. Independent Monitoring Network of Georgia is an informal working group consisting of representatives of NGOs and private individuals aiming to improve forest management by increasing transparency, preventing corruption and illegal logging, and promotion of sustainable forest use. This network aims to prevent further deforestation and degradation of forest ecosystems and natural resources and violations of forest regulations and rules. To achieve the above-mentioned goals, the Network closely collaborates with Governmental structures, private sector, media representatives and local communities concerned with issues of corruption and illegal logging.

NGOs strategy meeting

The NGOs strategy meeting with participation of all member groups of Informal monitoring network in three regions as well as number of national NGOs, experts that are working on forest related or other corresponding issues was arranged to facilitate cooperation and experience sharing in Tbilisi on June 25th. Common plan and strategy of future activities was elaborated to insure coordination and increase effectiveness of the activities of different groups working on forestry issues. During the meeting the main problems (including corruption, poor socio-economic living conditions in regions, monitoring capacity of local stakeholders) and needs (public awareness raising on negative impacts of illegal logging, consequences of corrupt and illegal activities, PR Strategy, legislative framework) and joint initiatives for illegal logging prevention were discussed.

Local Capacity Building

Green Alternative arranged the special training on “forestry legislation and prevention of illegal practices” for representatives of Tbilisi based and local NGOs and activists (from Borjomi, Akhaltsikhe, Kolkheti, Racha, Tetrtskaro and Signagi) concerned with illegal logging activities, for sharing experience and gain skills for independent monitoring. Professional trainers were led the trainings in Forest Resources Management, Public Relations and Community Mobilization fields.

Green Alternative provided technical assistance to the local groups from Samtskhe-Javakheti, Borjomi, Kolkheti and Racha. Personal computers, digital photo cameras, handheld GPSs were handed over to the local groups to more effectively detect and document illegal activities.

Green Alternative developed monitoring manual for local working groups in a way to use the technical means as well as easily recognize the illegal logging areas. Special questionnaire for assessment of local population attitudes towards the illegal logging and ways for its solution have been elaborated, that represents one of the main tools for local monitors.

Workshop on forestry management problems

On December 23, Green Alternative held the joint workshop (multi-stakeholders' meeting) with Ministry of Environmental Protection and Natural Resources on problems existing in forest management and reform for its improvement. Representatives of, Parliamentary Committee of Environmental Protection, NGOs, local activists, independent experts were invited to the workshop. Public participation in forest management decision-making, achievements and problems of Independent Forest Monitoring, legal reform and corruption in the forest sector, law enforcement in the forest sector – Environmental Inspectorate, the World Bank “Georgian Forests Development Project”, elaboration of national forest policy and strategy and new concept for forestry reforms were discussed at the workshop.

The workshop revealed that plans and activities proposed by World Bank project and Governmental reforms are not consistent. The WB continues technical assistance and supports institutional development of the Forestry Department of the Ministry of Environmental Protection and Natural Resources that is planned to be cancelled by the decision of the Ministry. The holding up of elaboration of National Forestry Policy that is one of the main objectives of World Bank project and attempts of government to renegotiate the grant conditions with FAO in a way to waive the policy elaboration also represents clear concerns.



The main achievement of the workshop was that after one year dispute with Ministry, the position paper on the planned reforms in forest management was released for public discussion. According to the agreement reached with the Ministry of Environmental Protection and Natural Resources the final version of the position paper will undergo detailed public scrutiny in first half of 2006.

Public Participation in Forestry Sector

Despite the official withdrawal of the government from privatisation of forests, a new law on licensing and permits gives the possibility to obtain a permit for forest use for a non-restricted time term. Green Alternative, remains in contact with the Ministry of Economic Development with regard to a number of issues related to the forestry sector, including the problems of long-term use of the forests, providing comments and recommendations.

Green Alternative in cooperation with Bankwatch carried out the research to highlight possible impacts of privatisation of forests and protected areas. Based on research publication “Georgia Forest privatisation – step to market economy or to uncertainty” has been published and widely distributed. The publication together with number of press-realizes, newspaper articles, participation in different meetings arranged by Government or non-governmental organisation, regional meetings carried out by Green Alternative provoke deep dialogue in society regarding the privatisation of forests and natural resources that is more and more actively promoted by the government of Georgia.

In a way to increase the public participation regarding on-going activities GEF/World Bank Protected Areas Project and the World Bank Forestry Project, the number of activities (letters, meetings with projects staff) has been arranged. The Public Hearing was held and draft regulation on Management of Protected Areas has been published for comments. Forestry project staff also presented its report and further plans to the concerned stakeholders.

Forestry Legislation

In addition to facilitating the actions of Independent Monitoring Network, Association Green Alternative continues to work to review existing forestry-related policies, laws, regulations, international treaties and law enforcement techniques to assess their ability to combat corruption and illegal activities. This review also identifies opportunities to participate in and influence the decision-making process. Based on the review, appropriate recommendations for creation of legislative framework for prevention of illegal logging and corruption in forestry sector will be submitted to the Georgian government.



www.forestgeo.net

Green Alternative developed special web-site dedicated to the problems that environment of Georgia and communities are experiencing due to the forest illegal logging and neglecting the national and international law requirements. Project working group has collected the materials to be allocated on the web and it will be operational in the nearest future. The web was designed to increase involvement and support of national and international groups and increase capacity of local and national groups. Therefore site will be bilingual (Georgian, English) and will provide factual information, analytical reports and practical toolkits.

Trees of tomorrow

The one of the illegal logging activities are usually noticed around the Christmas/New Year Season, that include cuttings of Cedars and Fir-trees. For population leaving in poverty high prices of the synthetic or artificially grown imported Firs are non-accessible. Thus, logged and cheap ones are in overgrowing demand.

With Support of CottonWood Foundation Green Alternative in partnership with Association of teachers and parents "Liberta" staged a New Year action to promote Sustainable Forest Use principals in Georgia and mobilize ordinary citizens for solution of environmental problems.

The fir-trees grown in nursery forests and provided free of charge by the Forestry Department of the Ministry of Environmental Protection and Natural Resources were rented to the population of Tbilisi, instead of illegally logged ones; There was no any fixed prize for fir-trees renting, people were asked to pay as much as they could afford. When Christmas and New Year holidays passed, volunteers will collect back rented fir-trees and replant them to the landslide areas. The funds gained from the renting of fir-trees, additional saplings will be purchased and people rented fir-trees on holidays will be invited to plant them with others.

Simultaneously, the event aimed to create incentives and opportunities to physically disabled and orphan children to be integrated in social life. 100 units of clay pots for fir-trees were handcrafted by the physically disabled children. Green Alternative volunteers introduce special lessons for physically disabled and orphan children on environmental issues and specifically on forest related problems.





Public participation in Country Partnership Strategy preparation

Georgia Country Partnership Strategy (CPS) preparation started in January 2005. Despite the fact that lots of civil society organisation representatives (including Green Alternative and CEE Bankwatch coordinators) met with the World Bank staff

preparing the previous CPS evaluation and drafting 2006-2009 CPS, the draft document have never been provided to the Georgian public for consultation.

Green Alternative and CEE Bankwatch Network initiated a letter to the World Bank Country Director and World Bank Dutch Executive Director requesting the disclosure of CPS before its approval by the Board. The letter underlined that “fact of not releasing the draft CPS and evaluation report to broader public participation process prior to its adoption creates the precedent of ignoring of Rights of Georgian population by the Bank and set a bad example for Georgian Government, which itself is not really disposed toward transparency and public participation in decision-making”. Nevertheless the World Bank failed to release draft CPS. Thus the only option for consultation was CPS workshop arranged by World Bank local office, but without the documentation.

Energy Sector

Green Alternative follows the Energy Action Plan developed by the national government under the influence of the World Bank. GA arranges the public information campaign on the tariff and debt problem in the energy sector and closely monitors upcoming projects in the energy sector to identify possible environmentally destructive projects in order to prevent their approval/implementation. Association prepares comments on Georgian Energy Policy prepared by Ministry of Energy of Georgia, as well as comments on 2005-2008 Action Plan.



The government plans to improve situation in Energy sector through the rehabilitation of Electricity generation and natural gas infrastructure, improvement of distribution and decrease losses. However, prepared strategy only address the electricity and gas sectors, and only slightly mentions existing potential of renewable energy resources. From this point of view the strategy is far from the sustainable energy strategy, even more it plans construction of 201 meter Khudoni Hydro Power Plant in Svaneti mountains (2010 meters from sea level) on Enguri river, in the west Georgia.

The Khudoni project implementation was blocked by society in the early 1990s, as the construction contains the highest risks for ecological disaster and requires the resettlement of number of villages (including Khaishi) in the area of unique beauty Zemo Svaneti (Upper Svaneti). Preserved by its long isolation, the Upper Svaneti region of the Caucasus is an exceptional example of mountain scenery with medieval-type villages and tower-houses. Zemo Svaneti Region is included in UNESCO World Heritage Site areas since 1996.

Monitoring Poverty Reduction Strategy and Plan (PRSP) Implementation

Green Alternative actively continues to participate in monitoring of the activities carried out under the framework of the PRSP. It participates in number of meetings regarding the implementation of the programme organized by government, as well as provided detailed comments regarding the progress report submitted by Government in November 2005.

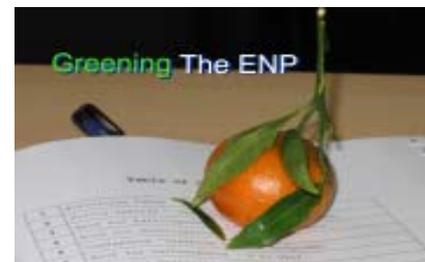
The comments applied to inefficiency of PRSP monitoring process which was setup and is implemented by the Government, problems related to the recent initiatives of economic deregulation and private sector development (such as licensing and permits, privatization of state enterprises), non-compliance of governments activities in Energy and Environment with the PRSP priorities, as well as underlines problems of public participation in the decision-making.

The comments have been also submitted to relevant governmental structures, in the frame of joint comments developed by OXFAM GB under the Whiteband Alliance.

European Neighborhood Policy

From public participation towards Greening The ENP

Green Alternative actively participated in “Georgian civil society participation in EU-Georgia National Action Plan preparation process”, lead by Heinrich Boell Foundation, Open Society Georgia and Eurasia Foundation. Association actively participated in Poverty Reduction, Sustainable Development and Environmental Protection working group. Within the working group it prepared number of recommendations related to poverty reduction, good governance, environmental protection and energy.



Separate document “Problems in Environmental Protection field in Georgia” has been prepared by Green Alternative staff and sent to Heinrich Boell foundation and WWF Brussels offices. Together with Georgian NGOs’ recommendations, this document has been sent through HBF and WWF to staff of European Commission’s Directorate General RELEX, Directorate General Environment and Directorate General Energy who participate in Action Plan preparation.

Recommendations elaborated by more than 50 groups, have been finalized in September 2005. On behalf of NGO Coalition Ms. Manana Kochladze made presentation “Green Paper development for Georgian Government and EU”, in Latvian-Georgian NGO forum organized by OSGF (5-6 October, 2005).

During this time period together with WWF Brussels office and Heinrich Boell Foundation Caucasus and Brussels offices, Green Alternative become actively involved in “The Greening the ENP” - the joint project developed by HBF and WWF. The Project aims to enable civil participation, promote sustainable development and environmental integration, foster good



governance, and project co-operation both between the EU member states and neighborhood countries and among them. Among the number of the objectives of the project it is important to ensure that new EU political and financial framework fully incorporates and ensures proper environmental protection, public participation and sustainable development; As well as to ensure that environmental governance measures and programs are reflected in Association and Partnership agreements, Country Action Plans and Programs.

In a frame of the Project HBf and WWF Brussels organized seminar and conference “Greening the ENP” in the European Parliament. On the conference, on behalf of Green Alternative and CEE Bankwatch Network, Ms. Manana Kochladze made presentation “Environmental legislation, decision-making and related impacts of infrastructure and energy development in the Caucasus”, related to existing environmental threats due to the on-going energy, infrastructure and transport projects. Number of meetings has been arranged as with appropriate MPs as well as EC representatives on concrete issues including Georgia-EU Action Plan.

During the seminar, NGO partners from different neighborhood countries discussed the main deficiencies of ENP Policy, European Neighborhood Partnership Instruments and Country Action Plans (that will be one of the 4th external funding instrument for EU from 2007) and relevant position statements have been prepared. Also further plans in neighborhood countries how to ensure public participation in the ENP implementation were considered.

During the Brussels trip Green Alternative, HBf and WWF Brussels offices agreed on number of the actions in frame of “Greening the ENP, Georgia” projects. Further steps include support the Green Alternative and other Georgian Groups’, capacity building in number of areas, as infrastructure, Forestry, Energy, especially in relation with EU directives.

Law on Licensees and Permits

In mid 2005 the new Law on Licenses and Permits was adopted which established the new procedural framework for approval of specific activities and among them has totally changed the rule of granting licenses/permits for pollution control and use of natural resources, as well as environmental permit which ensured public participation in the decision-making on the activities that might bring about significant adverse impacts on the environment and human health. The new law and subsequently adopted provisional regulation on environmental impact assessment (EIA) have significantly undermined public rights to take part in the decisions affecting their lives.

Green Alternative put much effort to mobilize civil society groups and to influence the decision-making during drafting of both the law and the regulation, nevertheless both legal acts were adopted without taking into account public concerns. This notwithstanding, Green Alternative continued its campaign and lobbied for changes through the dialogue with relevant state authorities and using other means of influencing decision-making. Several formal and informal meetings were organized with different stakeholders, discussion papers, press-releases and statements were issued and the articles were published in the newspapers to demonstrate the urgent need for changes and attract public and decision-makers attention. As a result, the provisional regulation on EIA was amended, which has relatively improved opportunities for public to be informed and consulted in the decision-making. Currently, the new law on environmental assessment is being drafted and Green Alternative continues to advocate for public right to be effectively involved in the decision-making process.

Strategic Environmental Assessment

Green Alternative is also actively lobbying for integrating environmental and social concerns at the higher level of the decision-making, when the decisions are taken to approve different strategies, plans or programmes that might negatively affect the environment and the public health. In particular, Green Alternative believes that introduction of Strategic Environmental Assessment (SEA) will greatly contribute to the better governance and the decision-making that equally addresses economic, social and environmental needs and concerns of the society. Green Alternative is represented in the Task Force of the project (implemented by the Ministry of Environmental Protection and Natural Resources of Georgia with the support of the Netherlands Commission for Environmental Impact Assessment) that involves different activities for introduction of SEA in Georgia, including execution of the pilot SEAs and drafting the SEA regulation.

Grants received in 2006

CEE Bankwatch Network- 15 007 Euro
OXFAM GB - 17400 Euro
EU Delegation in Georgia - 74402 Euro
European Commission, DG Environment - 10 020 Euro
WWF UK/Platform - 3862 Euro
The Cottonwood Foundation - 833 Euro

Balance Sheet 2005 in GEL and Copies of audited report for 2005 are available from Green Alternative Office.

Assets	31 December, 2005	31 December, 2004
Cash in desk	60	119
Money in Bank	59 369	17 491
Claims to personnel	0	1 436
Claims to state budget	12 187	5 026
Prepayment to suppliers	0	0
Current assets	71 616	25 775
Office equipment	55 148	19 730
Other basic assets	6 949	4 937
Fixed Assets	62 097	24 667
Total Assets	50 442	50 442
Liabilities		
Prepayment received due salaries	0	0
Liabilities to personnel	6480	0
Short term loans due income tax	7139	4 835
Due excise-duty social taxes	396	484
Current Liabilities	14720	5319
Authorized capital stock	4256	2 291
Other reserves and targeted financing	114 737	42 832
Total Equity Capital	118 993	45 123
Total Liabilities and Equity Capital	133 713	50 442

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Nino Dadalauri – IFI's Monitoring Program Coordinator
Manana Kochladze – CEE Bankwatch Network Regional Coordinator for Caucasus
Irakli Matcharashvili- Biodiversity program coordinator
Lia Ksovreli - Financial Manager
Nato Guledani /Natia Ksovreli – Office Manager
Zaza Maglakeidze -web-master

Invited Experts of the association:

Lawyers- Merab Barbakadze, Pavle Abaidze
Biologists – Manana Grdzlishvili, Irakli Shavgulidze
Forester – Zaza Shavliashvili, Leri Chochua
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