

To: The World Bank (WB)
International Monetary Fund (IMF)
European Bank for Reconstruction and Development (EBRD)
European Investment Bank (EIB)
Asian Development Bank (ADB)
German Bank for Reconstruction (KfW)

The Embassy of Japan
The Embassy of Canada
The Embassy of the United States
The Embassy of Switzerland
The Embassy of Norway

On March 20, 2012 the Parliament of Georgia adopted the Law on Amendments to Some Legislative Acts of Georgia (№5916) upholding yet another legislative initiative of the Georgian Government. Regardless of numerous protests and requests from civil society to veto the initiative, on March 30, 2012 the President of Georgia signed it into law. We, the undersigned non-governmental organizations, express our concern over these actions by the Georgian authorities and urge for an immediate and effective reaction from the international community.

The law allows for the conclusion of an agreement of unlimited duration between an interested party and the Ministry of Energy and Natural Resources of Georgia, which, in exchange for compensation in favor of the State, will exempt the interested party from liability for violations committed in the field of environmental protection and natural resources. At the same time, the signatory of the agreement will be released from any obligations, fines and/or compensation for damage, as well as from the obligation to pay a fee for the use of natural resources. The law also forbids the inspection of the activities of the interested party for the duration of the agreement. Notably, the Law was developed and adopted in a non-transparent manner, without public participation, which constitutes a flagrant violation of the Aarhus Convention.

We are deeply concerned that this legislative act:

- will lead to irreversible degradation of the environment by enabling the entities involved in implementing projects with possible significant negative impacts on the environment (energy, infrastructure and other development projects) not to observe the fundamental principles of environmental protection and sustainable development, including the principles of risk reduction, sustainability, biodiversity preservation, waste minimization and environmental impact assessment;
- restricts the access of civil society representatives to information, public participation in decision-making, and justice in environmental matters;
- undermines the principle of equality before the law and increases the risk of corrupt deals.

The law contradicts the Constitution of Georgia, Georgia's international commitments, the principles of environmental protection and sustainable development recognized by international and national environmental law, and the EU environmental directives; it causes harm to the already weak institutional and regulatory system of environmental protection and further reduces its effectiveness.

The law is a logical continuation of the processes ongoing in the country over previous years, owing to which the current environmental management system is extremely fragile. Among the most recent alarming governmental initiatives, the following should be highlighted: allowing hunting on Red-listed rare and endangered species; planning and implementing development projects within or in close vicinity of Protected Areas without due environmental considerations; and initiating and promoting energy and infrastructure projects hazardous to the environment and the population without taking environmental, social, and economic risks into consideration.

Against the background of poor environmental management, there is a great likelihood that the development projects and programs, including those financed by your organizations, will cause irreversible damage to the natural environment and human health, that will ultimately have a negative impact on the country's economy and social environment.

Unfortunately, we have observed a number of examples recently where, due to the Georgian government's inconsistent decisions, donors have suspended projects/programs related to the sustainable use of natural resources and directed their funds at different infrastructure projects. As a result, damage to the environment ensuing from such projects is not adequately balanced by programs targeted at environmental protection. By such actions, donors have encouraged the governmental decisions that are harmful to the environment and human health.

Based on the above, we request the following:

1. To revise the priorities of assistance and cooperation with Georgia and to discontinue support to such projects and programs that may trigger significant negative impacts on the environment and human health.
2. To ensure that the funding of budgetary support programs is provided under the condition that the ongoing processes in the country are in line with commitments towards European integration and sustainable development, including the following prerequisites:
 - compliance of the initiatives implemented by the Georgian Government in the field of environmental protection with Georgia's international environmental commitments, as well as with the terms of the Generalized System of Preferences (GSP+) be assessed within the process of ongoing negotiations on the Associated Agreement and Deep and Comprehensive Free Trade Agreement between Georgia and the European Union, and realistic measures for eradicating the shortcomings be outlined;
 - the Georgian authorities provide for the establishment of procedures necessary for observing the rights of Georgian citizens, which are secured by the Constitution of Georgia and the Aarhus Convention;
 - the Law on Amendments to Some Legislative Acts of Georgia dated March 20, 2012 be abolished as it is incompliant with the country's declared aspirations towards European and Euro-Atlantic integration.