

Dear Sir/Madam,

We are writing this letter in connection with the current upswing of an aggressive discredit campaign against the Baku-Tbilisi-Ceyhan Main Export Pipeline (BTC MEP) project unleashed by a group of international anti-globalist NGOs. For quite a while now, activists of this campaign, known as "Rising Tide", have been spreading information around the world, claiming that the pipeline would only add to the poverty and external debts of the country, infringe the human rights, contribute to corruption, breed new conflicts, endanger human health, and provoke a climate change. The sad reality, though, is that in the present-day Georgia, without any pipelines, we see an extreme poverty, a deep-rooted corruption, dormant conflicts, energy deficits, not particularly attractive investment climate, and an economic stagnation with very few options to overcome it. One of these very few options – perhaps, the only option - is associated with the prospects of implementation of the Baku-Tbilisi-Ceyhan Main Export Pipeline and Shakh Deniz Natural Gas pipeline projects. This is by no means to say that these projects will help resolve all the existing social and economic problems overnight. Yes, we agree that the direct economic benefits Georgia will get from these projects can hardly be compared to the expected profits of oil companies and oil producers. Nonetheless, we believe these proceeds (Georgia's annual transit revenue from the oil and gas transportation will amount approximately to USD 200 million) will become an extremely important element of Georgia's budget. For the population, both direct and indirect project-related economic benefits will be of great importance. These include better employment opportunities, community investment and social projects, land and harvest compensations, environmental investment projects, rehabilitation of infrastructure in the areas to be traversed by the pipeline, introduction of western business practices, etc. However, the most important gain to be got here is that these projects will bring Georgia into the fold of Western countries consistent interest, this being an essential prerequisite for this country's independent and sustainable development, as well as for resolution of the existing conflicts and consolidation of democracy and market economy. Dismantling the present monopolistic system of energy supply by provision of alternative, and cheaper energy sources, together with improvement of the investment climate, will contribute very significantly to Georgia's independence and stability, facilitate development of mutually beneficial regional cooperation and set preconditions for a gradual economic growth, this being by no means a simple or instantaneous process.

One of the most disputable topics of a broad public discussion in Georgia has been the Borjomi section of the pipeline (Tskhratskaro Kodiana section). It was underscored on numerous occasions that the specific route for this section was selected, based upon the results of a comprehensive risk analysis (including security and geopolitical risks) undertaken by top-class international experts. This analysis revealed that for this particular pipeline section there exists only one route, acceptable both for investors and the State, together with yet another, theoretically plausible option (The Karakaia route). This latter's technical feasibility will shortly be offered for additional consideration to the Georgian government and public. In our opinion, the "Rising Tide" campaigner NGOs have taken up a rather one-sided stance in viewing environmental issues. As a result they have put forth demands for such re-routing options that are unacceptable to the investors in principal. In our particular situation, this misbalanced and categorical stance in addressing environmental concerns can hardly be viewed as justifiable. In effect, all we can achieve through such a stance is driving the project into a dead end. Besides, from purely environmental standpoint, the Akhalkalaki route, so fervently advocated by the above referred NGOs, can hardly be considered as any substantive improvement (but rather a disadvantage) compared to the current Tskhratskao-Kodiana route for the simple reason that it runs across an even higher geodynamic and seismic risks zones. Clearly, this route will also traverse unique landscapes, including highly sensitive wetlands, a lake system, volcanic formations of a high tourist value, and a very high quality potable water resource area. Georgia is only a very small country, but with an extremely rich and diverse nature, so much so that it would be unimaginable to lay a pipeline at any substantial length across its territory without trespassing unique habitats and ecosystems. The undeniable truth in our current situation is that Georgia cannot afford loosing this project. The proposed pipelines are generally seen by the public as an essential, if the only, means to drive Georgia out of its present economic stalemate. Therefore, rather than scatter our potential and efforts, it would behove all of us to concentrate very seriously on such critical matters as to what environmental standards and additional protection methods should be adopted and effected in building the pipelines through sensitive zones, and see to it that all these protection and remediation measures are in place and duly effected both in the construction and operation phaze.

The Tskratskaro-Kodiana area is, indeed, a unique ecosystem. Hence, elaboration and implementation of relevant mitigation measures for a pipeline section running through this area would surely require an impartial, comprehensive and professional analysis. This purpose is served by conducting additional studies

and putting in place unprecedented prevention and mitigation measures, both technical and organisational, set forth as a mandatory condition in the environmental permit issued by the Ministry of Environment and Natural Resources of Georgia on December 1, 2002. These measures will provide for an enhanced environmental safety at this section of the BTC pipeline. Hence, from the public monitoring perspective, at the present moment it is crucial that the NGOs center their efforts around ensuring that these extra mitigation measures are implemented duly and in full. Viewing the situation on a macro-level, it becomes only too apparent that the most critical problems in this country cannot be resolved until after the general social and economic situation improves. This, naturally, holds true with the particular problems typical of Borjomi, such as: deforestation due to an intensive illegal tree felling, environmental pollution due to a dysfunctional utility infrastructure, landscape degradation, extensive erosive and landslide processes provoked by the deranged water supply and drainage systems. Consequently, those projects that aim at driving the country out of the current stagnation and energy crisis will, by definition, contribute most positively to resolving the environmental concerns.

The demands to shift the pipeline route to the Akhalkalaki district are detrimental not only because they might halt the project altogether, but also because they by and large tend to divert the public's attention away from the actual project-related issues of critical importance, more specifically – from the monitoring of environmental and social programs. At this point in time, we risk to find ourselves in a situation where the additional environmental and safety conditions, so well-formulated in the environmental permit, will remain on paper, unfulfilled. Therefore, it is crucial that the NGO community work very actively both with the investors and the Government. Given this challenge, the public monitoring, should aim, on the one hand, at assuring that the investors follow religiously all the requirements set forth in the environmental permit. On the other hand, it should ensure that the Government elaborates a rational program for an optimal use of all the benefits arising from these projects (in particular, natural gas magnetization), as well as make sure these benefits are distributed fairly. Among other issues of critical importance from the monitoring standpoint there are those related to employment and land compensation. It is essential, therefore, that the public monitoring at the present stage also concentrates on these matters. Combination of all the above efforts will ultimately guarantee that the investors deliver the project in an environmentally and socially responsible way to make it a world-class endeavour, while, on the other hand, this will ensure that all the opportunities that present themselves in

the course of the pipeline projects development are duly used to revitalize the country and trigger its economic growth.

1. Sandro Tvalchrelidze – Georgia’s Resources and Sustainable Development
2. Kakha Nadiradze – Association for the Protection of Farmer’s Rights
3. Mariam Kimeridze - “Orchis”, the Georgian Society of Nature’s Explorers
4. Merab Tvalchrelidze – International Center for the Assessment of Anthropogenic and Natural Impact On the Environment
5. Mariam Begiashvili – Social Research Institute
6. Merab Bochoidze –National Committee of International Council’s on Monuments and Sites (ICOMOS)
7. Givi Kochoradze – European Commission National Contact Point in Georgia in IT
8. Mikheil Kaviladze - International Center for Nature Study and Rehabilitation
9. Gela Ghlighvashvili - Center of Eco-Genetic Security “GALGI”
10. Irakli Kaviladze - International Information Center of Social Reforms
11. Levan Sulikashvili – Association of Nature ‘s Protection “Armari”
12. Zurab Dgebuadze – Union of Democrat Lawyers
13. Otar Sichinava – Ecosenter for Flood and Flashflood Mitigation
14. Manana Devidze – Ecology of Caucasus
15. P. Gachechiladze – “XXI Century”
16. Raul Babunashvili – Georgian Landowners’ Association
17. Pavle Apciauri – Georgian Householder’s Association
18. Nino Elizbarashvili - Association “Woman and Business”
19. Jambul Khizrevanidze - Regional Association “Samtskhe-Djavakheti”
20. Gia Nozadze – Center of Applied Pedagogy
21. Irakli Tugushi – Georgian Trade Unions Amalgamation
22. G. Mkheidze – “ The Union of Soldiers of Abkhazia”
23. M. Kopaliani - «The Union of Veterans of War»
24. M.Akhalia - Regional Union of Kvemo Kartli “Soldiers of Abkhazia”
25. T. Lagvilava – International Charity Association of deceased with the Parkinson Illness
26. M. Bulia – “Sukhumi of XXI century”
27. V. Aprasidze – Association “Achadera”
28. G. Asanidze – Union for Developing Sport in Georgia
29. T. Lemondjava – Union of the Invalid Veterans
30. M. Darjania – Union “Tskhumi 2000”
31. R. Gegia – Union of Invalids and Veterans “Bedia”
32. T. Chichua – The union of a name of General Gulua

33. K. Pirveli – Charity Association “Shura”
34. K. Goletiani – Union of Soldiers of Gulripshsi District
35. B. Tsuvitaria – Union “Zegani”
36. Dali Kobakhidze - International Union of Vulnerable People
37. Leila Injgia – Council of Veterans and Pensioners
38. Tamar Ozbetelashvili – Union for supporting of young Family
39. Lali Basilaia – “Martvili - 2001”
40. Natela Japaridze – House of Rustavi Teachers
41. Nona Dobadzishvili – Assosiation “New Families”
42. Svetlana Mchedliani – Community Organization “Khazo”
43. Dodo Loria – Gldani – Nadzaladevi Organization of Veterans and Pensioners
44. Svetalana Gulbani – Settlnent of IDP’s of Hotel “Kavkasioni”
45. Giorgi Abulishvili - Center of Energy Efficiency
46. Otar Vezirishvili – Association of Engineer - Energetics
47. Tamaz Gugunishvili –Center for Oversight on Strategic Objects Construction and Employment
48. Ia Davitaia – Georgian Assosiation of Proffecional Neonatologists and Perinatologists
49. Zaira Kereselidze – “Dedis Dzaxili”
50. Maka Gamtsemidze - “Tanadgoma – XXI Century”
51. Lali Janashia – IDP Council at the Nursery Center
52. Jambul Xozrevanidze – Regional Organization of Samtskhe – Javakheti “Aspindza”
53. Manana Lutidze – Community organization “Temqa”
54. Dodo Chartolani - Social Care of Mestia “Deda”
55. Vakhtang Zodelava - Organization of Pensioners and Veterans of Gldani-Nadzaladevi District
56. Nino Xergiani – Social Care “Axali Xaishelebi”
57. Gia Sulaqvelidze – Women’s Recreation Fund
58. Karlo Tsularia - Organization of Pensioners and Veterans of Vake-Saburtalo area
59. Gogla Gogoladze – Trade Unions for Georgian Citizens, employees of Joint Ventures Founded by Foreigners in Georgia
60. Apolon Chichxvashvili – organization of pensioners and veterans of Didube – Chugureti district
61. Mamuka Bichiashvili – “Tbilisi Euro-Atlantic Research Center ”
62. Zviad Gelashvili – Association of Free Information
63. Giorgi Gurgenidze – Agency for protection of Historical heritage and Development of Culture

