

Written Submission to DFC Board of Directors

23<sup>rd</sup> May 2023

From: Eliso Janashia , *Poti Citizens for their Rights, Georgia*

*Ketevan Gujaraidze, Green Alternative, Georgia*

Dear Directors,

We would like to express our concern about the expansion and modernisation of the New Poti Seaport, which became operational in early 2022 and is creating additional problems for the citizens of Poti. We believe that the project sponsor Transford, which received a USD 50 million loan from the DFC in 2019, is violating its own commitment to comply with the IFC 2012 Performance Standards (PS) on environmental and social sustainability.

Residents of Javakhishvili Street, in town of Poti have been struggling with air pollution for almost three years due to health and safety concerns. This is due to the improper operation of the port, where bulk cargoes such as copper concentrate, clinker, sulphur and coal weighing several million tonnes are stored in an open environment. The situation is exacerbated by the fact that there are other businesses in the area that pollute the air, including metallurgical, copper concentrate and cement factories.

According to the detailed project summary, the project should be consistent with IFC 2012 Performance Standards, namely

- PS1 Assessment and management of environmental and social risks and impacts;
- PS 3: Resource efficiency and pollution prevention;
- and PS 4: Public health, safety and security.

However, the submitted ESIA does not address all relevant environmental and social risks associated with the project through adequate baseline studies and assessments.<sup>1</sup> EIA does not assess the air quality impact and risks in line with IFC EHS guideline (2007) <sup>2</sup> and do not provide mitigation measures as its requested by DFC.

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<sup>1</sup> E.g. Ambient Air Quality According to the visual audit results, no stationary sources contributing to ambient air pollution are located within the study area. The quality of the ambient air in the study area may be affected by exhaust gases produced by machinery and transportation means operating in the sites of the nearby container terminals and production facilities, as well as by the vehicles moving along the city bypass road. It is obvious that no air quality gauging stations exist in Poti for years, and therefore practically no air quality data are available for the project impacted area. Due to such situation, it was found reasonable to apply the methodology approved by the Ministry of Environment and Natural Resources of Georgia (ПД 52.04,186-89). This methodology recommends application of the population-based approach for evaluating the baseline ambient air condition for the areas lacking any observation data. Ambient air quality assessment has been made according to this methodology, based on number of the population of the settlement (see the table below, [https://www3.dfc.gov/environment/eia/potiport/Poti\\_ESIA\\_Final%20Draft\\_21Nov2015.pdf](https://www3.dfc.gov/environment/eia/potiport/Poti_ESIA_Final%20Draft_21Nov2015.pdf)

<sup>2</sup> Environmental, Health, and Safety Guidelines GENERAL EHS GUIDELINES: ENVIRONMENTAL AIR EMISSIONS AND AMBIENT AIR QUALITY <https://www.ifc.org/>

Residents of Javakishvili Street, living near the Transford Terminal (within 30-40 meters), complain about the daily black dust that makes their livelihoods dangerous.<sup>3</sup>

The independent research conducted first the Poti Citizens Rights Platform and later expanded by municipality (2021-2022) shows that children from 3-14 years, living near industrial zone, including the Port area, have 2-6 times high levels of lead in blood, that considered by country legislation<sup>4</sup>. However, neither the authorities nor the municipality are taking the necessary measures to find out the causes of lead poisoning. In the meantime, the independent soil analyses carried out that in Javakshvili Street near the port, the soil contamination with cuprum is 675 mg/kg, lead 73 mg/kg and iron 18.4 mg/kg, which is above the Georgia's national standards. .

To address the problem of air pollution from the port, the Poti Citizens Rights Platform has tried to contact the municipality and Transford to solve the problem and eliminate the air pollution. But the company simply refuses to acknowledge the problem. It makes no effort to adequately solve the problem and ensure the safety of residents' livelihood.

Considering the fact that the Georgian environmental legislation, as well as inspection agency is still weak, the situation is really problematic. Please see additional information in the video material with English subtitles, prepared by the Poti Citizens for their Rights:

<https://www.facebook.com/poticitizens/videos/1739392989826859>

Therefore, we would like to call upon the DFC Board to

- Conduct an independent environmental and social monitoring and audit of the Transford Terminal
- Develop an environmental and social management plan that addresses the concerns of Javakshvili Street residents and improves air quality, and publish this plan
- Require Transford to develop an appropriate grievance and monitoring mechanism and inform the public of its implementation.

We greatly appreciate the DFC's commitment to the environment and sustainability and would like to see companies in Georgia funded by the agency comply with the UN Guiding Principles on Business and Human Rights.

Sincerely Yours,

Eliso Janashia

Director

Poti Citizens for their Rights  
Address: 37 Baratashvili str, Poti, Georgia  
Email: ejanashia@gmail.com  
Contact No.: (+) 995 555 14 11 57

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<sup>3</sup>The struggle of 100 families to live in a safe environment in Poti, Manana Kveliashvili, 12/08/2022, Netgazeti <https://batumelebi.netgazeti.ge/news/428879/>

<sup>4</sup> My son was found to have a lead in his blood - the fight of the leaves against the poisoned air November 18, 2022, Tamuna Chkareuli, Radio Liberty, <https://shorturl.at/krMZ1>