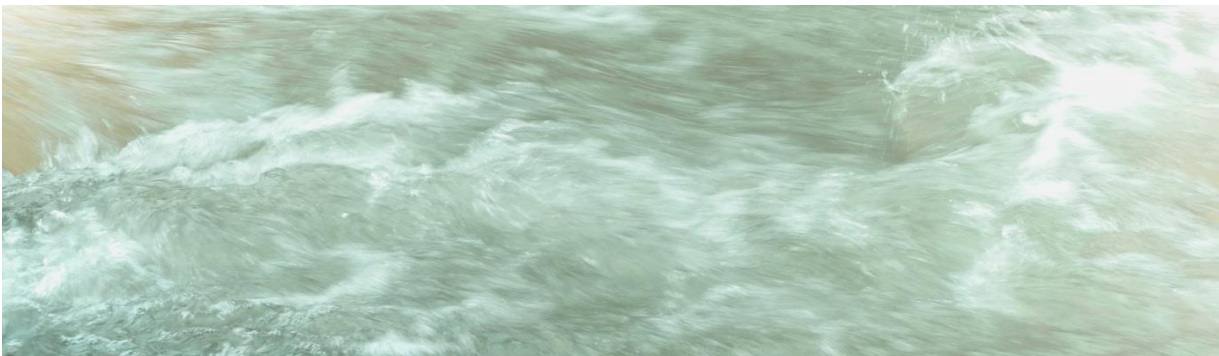




Adjaristsqali  
Georgia  
LLC

**Completion Report of Land Acquisition for the Didachara Access Road and  
the Ghorjomi Bridge and Other Land Plots Not Covered by the Original  
LALRP**





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### Acronyms and Abbreviations

AGL	Adjaristsqali Georgia LLC
GoG	Government of Georgia
ESIA	Environmental and Social Impact Assessment
EIA	Environmental Impact Assessment
MML	Mott MacDonald
LALRP	Land Acquisition and Livelihood Restoration Plan
LRP	Livelihood Restoration Plan
AP	Affected Person
AH	Affected Household
HPP	Hydro Power Project
CSR	Corporate Social Responsibility

## Contents

<b>1. Introduction</b> .....	<b>5</b>
<b>2. Project Description</b> .....	<b>8</b>
<b>3. AGL’s Land Acquisition Policy</b> .....	<b>9</b>
3.1 AGL’s Guiding Policy Principles.....	9
3.2 Methods for Valuing Assets.....	14
<b>3.2.1 Replacement Cost as the Basis for Compensation</b> .....	<b>14</b>
<b>3.2.2 Determination of Compensation Values</b> .....	<b>15</b>
<b>3.2.3 Asset Data Collection for Valuation</b> .....	<b>16</b>
3.3 Right of APs to Compensation.....	17
3.4 Eligibility Cut-off Date.....	17
3.5 Compensation Eligibility.....	18
<b>4. Land Acquisition and Resettlement Impacts</b> .....	<b>19</b>
<b>5. A Brief Summary</b> .....	<b>20</b>
<b>6. Socio-economic Profile of Affected Households</b> .....	<b>20</b>
<b>7. Grievance Management and Redress</b> .....	<b>25</b>
<b>8. Livelihood restoration</b> .....	<b>26</b>
8.1 Livelihood Restoration activities.....	26
8.2 Agricultural activities.....	26
<b>8.21 Beekeeping</b> .....	<b>26</b>
<b>8.2.2 Cattle breeding &amp; Nut production</b> .....	<b>27</b>
8.3 Manufacturing and services.....	27
8.4 SME and business activities.....	28
8.5 Employment.....	28
8.5 Rehabilitation of Spoil Areas as Pasture Lands.....	28
8.6 Timeframe and Budget of livelihood restoration activities.....	28
<b>9. Budget and Chronology</b> .....	<b>29</b>
<b>10. Communication</b> .....	<b>30</b>
<b>Annex 1 – Examples of Minutes of Meetings with Landowners/Users</b> .....	<b>33</b>
<b>Annex 2 List of affected households</b> .....	<b>36</b>
<b>Annex 3 Dates of Meeting with population</b> .....	<b>38</b>
<b>Annex 4 Map of land plots affected by the Ghorjomi Bridge</b> .....	<b>41</b>

**List of Figures**

Figure 1 Layout scheme of the project road and bridge / Source: AGL .....6  
Figure 2 Layout scheme of the acquired land plots .....7  
Figure 3 General plan of the project road and bridge / Source: MML .....8  
Figure 4 Number of AH members .....21  
Figure 5 Affected trees .....22  
Figure 6 Job satisfaction .....24  
Figure 7 Average monthly expenses .....24

**List of Tables**

Table 1 2014 LALRP Guiding Principles .....9  
Table 2 Cut-off date .....17  
Table 3 Summary of Compensation Entitlement .....18  
Table 4 Loss of Land .....19  
Table 5 Level of education in Georgia and in the affected villages .....21  
Table 6. Affected households and individuals .....22  
Table 7 Types and number of affected trees .....23  
Table 8 Average annual income of AHs .....24  
Table 9 Timeframe of livelihood restoration activities .....28  
Table 10 Budget of livelihood restoration activities .....29  
Table 11 Land acquisition compensation and budget .....29  
Table 12 Land acquisition process chronology .....29

## 1. Introduction

In May 2015, Arup and Lenders (ADB, IFC and EBRD) were informed by AGL that consultations and negotiations with the owners/users of land plots required for the Didachara access road have been initiated, which is not covered by the October 2014 Land Acquisition and Livelihood Restoration Plan (the 2014 LALRP).<sup>1</sup> Acquisition of new land plots was identified as urgently required due to the construction of Didachara Access Road and Ghorjomi Bridge, arrangement of spoil areas for disposing waste rock excavated from the tunnels and arrangement of construction roads and Chirukhistsqali construction camp. The preparation of an Updated LALRP for the Didachara Access Road and Ghorjomi Bridge (the Updated LALRP) was identified as required according to the Action Plan submitted in May, 2015.

In June 2015, AGL prepared and submitted to Arup an Updated LALRP. Following this submission comments were received from Arup and AGL proceeded to revise the document.

As the construction of the Ghorjomi Bridge and infrastructure of the hydro power project (Chirukhistskali construction camp, disposal area, etc.) has already been launched, it was necessary to arrange Didachara Bridge, to remove road section, and to arrange Chirukhistskali weir construction camp in order not to hinder HPP construction process. Besides, it should be noted that due to the construction works of the Didachara dam, safety conditions of traffic movement on Batumi-Akhaltzikhe highway of national significance are violated and movement of transportation is impeded. In order to solve above-mentioned problems in the shortest period of time, it became necessary to start land acquisition process immediately.

The same can be stated in relation to land acquisition for auxiliary facilities (e.g.: waste rock disposal areas) in particular: additional area was required for disposal of waste rock, generated after tunneling.

When Arup visited in November 2015, AGL advised that the land acquisition process for the said road and bridge is almost complete and have assured Arup that the principles, processes and entitlements in the original LALRP was followed. Meanwhile, the Completion Report remains pending and the revised version was submitted to Arup after the November 2015 site visit. Following Arup and ADB review of the LALRP and consultation with Lenders, AGL was requested to prepare report on the Land Acquisition Completion Report for the above mentioned communications (this Completion Report).

In April 2016, Arup and Lenders learned that AGL further acquired land which are not covered by the 2014 LALRP and not part of the updated LALRP for the the Didachara Access Road and the Ghorjomi Bridge. These included the land requirements for the waste rock disposal area, construction roads and Chirukhistskali construction camp. AGL was advised to include these areas in this Completion report.

This Completion report details the approach that AGL has taken to acquire land plots for the Didachara access road and Ghorjomi Bridge, as well as for the spoil areas in the vicinity of Makhalakidzeebi, Gorkhanauli, Chanchkhalo, Diakonidzeebi, Akhaldaba, Ghurta and Diognisi villages and for the Chirukhistsqali construction camp.

This Completion Report has been prepared in accordance with the principles determined in 2014 LALRP, and therefore is in accordance to Lenders' requirements, namely, IFC Performance Standard 5 – Land Acquisition and Involuntary Resettlement (IFC PS5), EBRD's "Land Acquisition, Involuntary Resettlement, and Economic Displacement", Performance Requirement 5 (EBRD PR5) and ADB's Safeguard Requirement 2 – Involuntary Resettlement (ADB SR2).

This report includes information on the land acquisition, compensation and a public consultation

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<sup>1</sup> The 2014 LALRP is available from <http://www.adb.org/sites/default/files/project-document/154041/47919-014-rp-01.pdf>  
document/154041/47919-014-rp-01.pdf

processes that were not included in 2014 LALRP.

The construction permit of the Shuakhevi hydro power project issued by the Ministry of Economy and Sustainable Development of Georgia (N246, 31 July 2013) does not include the road relocation and construction of the Ghorjomi Bridge. Therefore, a separate construction permit for the Ghorjomi Bridge and Didachara access road had to be obtained which involved independent EIA study and report. Even though this entire geographical area has been covered by the previous ESIA, AGL applied for the construction permit and submitted all required documents for the permit. The EIA was approved by the Ministry of Environment and Natural Resources Protection of Georgia in November 2015.

The section of the road below in Figure 1 had to be relocated due to ongoing construction works of the Shuakhevi hydro power project. Since the existing road and Ghorjomi River Bridge will be flooded by Didachara dam and reservoir, the existing road had to be elevated to a higher level and construction of the new bridge and road was required. Layout scheme of the land plots required for the arrangement of spoil areas, access roads and Chirukhistsqali construction camp is given in Figure 2.

Land acquisition process has been conducted in line with lender' requirements and is based on a fair and just valuation of land plots which comprises determination of market price for immovable property. In order to ensure land users' satisfaction AGL uses standard 10% mark-up on a market price.

**Figure 1 Layout scheme of the project road and bridge / Source: AGL**

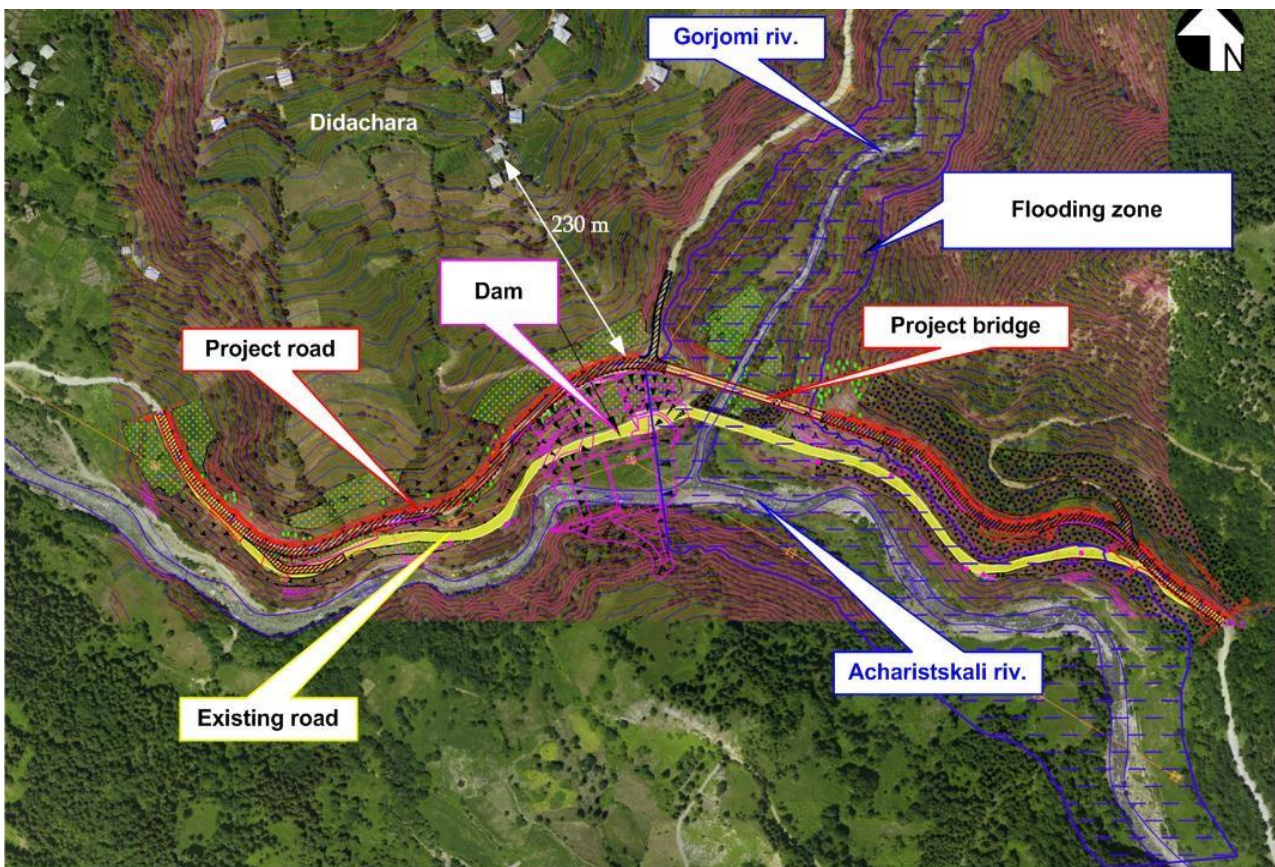
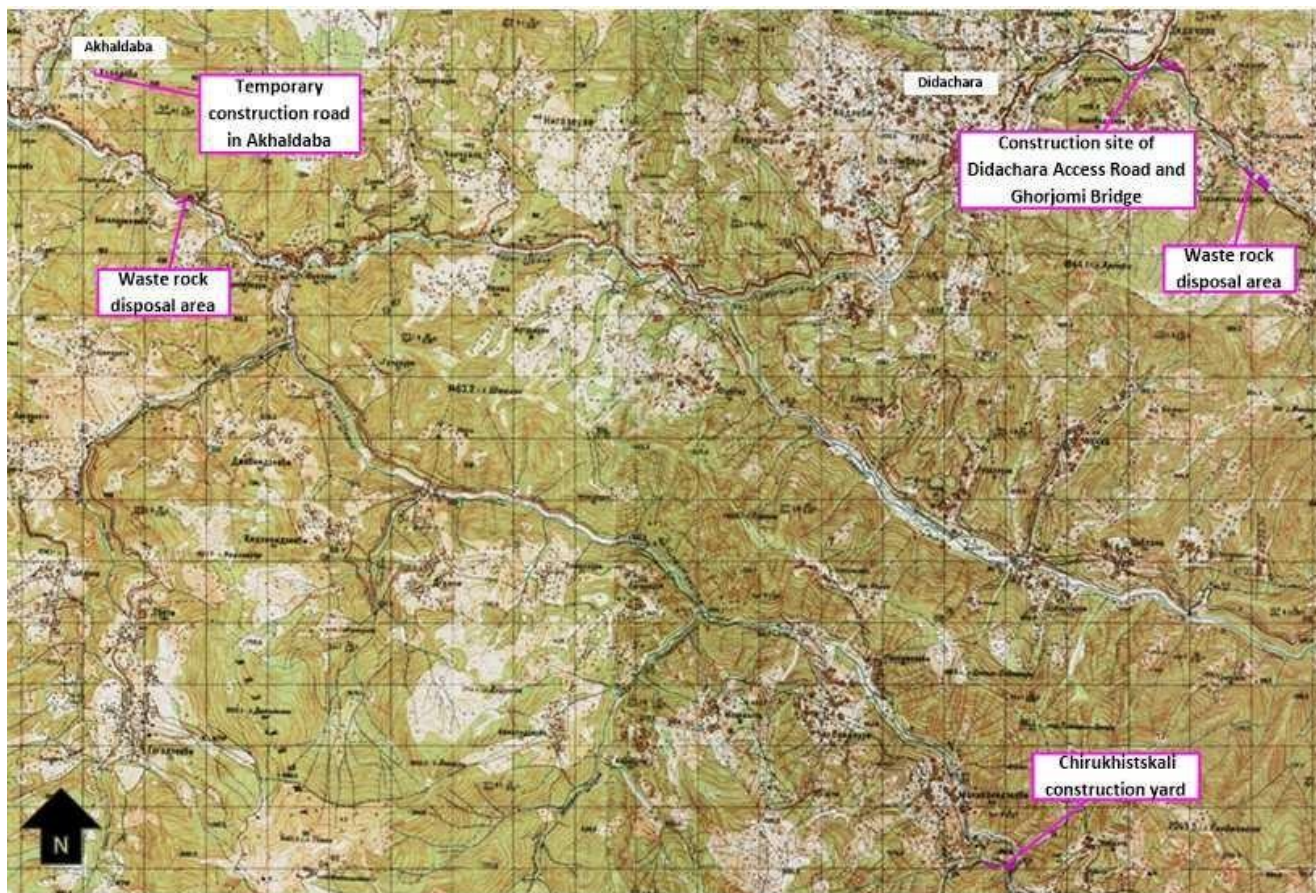


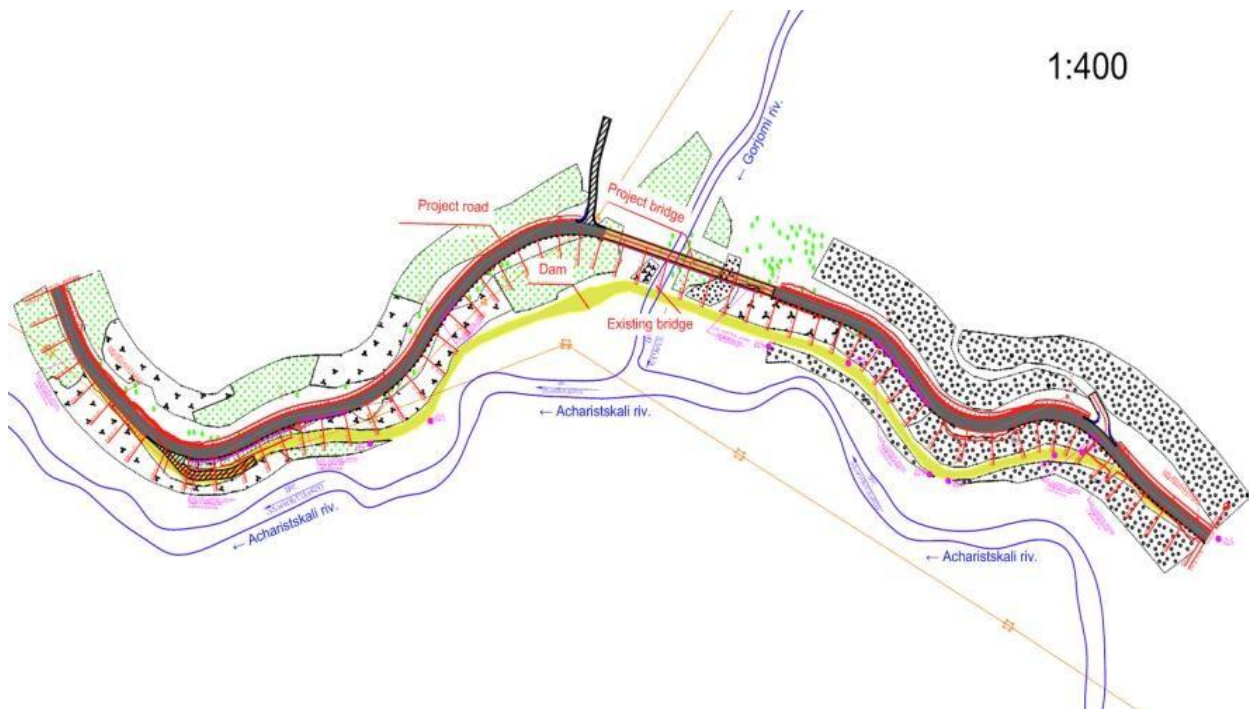
Figure 2 Layout scheme of the acquired land plots



## 2. Project Description

As mentioned above this section of the road needs to be relocated due to on-going construction works of Shuakhevi HPP. In particular: existing road and Ghorjomi River Bridge will be flooded by Didachara dam of Shuakhevi HPP. Therefore, relocation of this section at a higher elevation and construction of a new bridge is required. The length of the section under reconstruction is 1.2 km, including: length of the proposed bridge is 144 m, length of the first section of the proposed road (on the right side of Ghorjomi River bridge) is 600 m, while the length of the second section of the road (left side of Ghorjomi River bridge) is 450 m. Layout scheme can be seen in Figure 1 and general plan of the project in Figure 3.

**Figure 3 General plan of the project road and bridge / Source: MML**



According to the requirements of ecological expertise conclusion for the Shuakhevi HPP project, issued by the Ministry of Environment and Natural Resources Protection of Georgia, implementing company (Adjaristsqali Georgia LLC) was obliged to prepare Environmental Impact Assessment (EIA) on Ghorjomi bridge project. The EIA report was prepared by Ltd Gamma Consulting and submitted to the Ministry of Environment.

Information on public consultations and availability of EIA itself was made in Central newspaper-“Respublica”, and in the local newspaper “Adjara”. Besides, Khulo municipality and local villages were informed through our information officers and advertisements posted in mayor’s office and community houses about the date and venue of public consultation.

Public consultation on Ghorjomi Bridge was held on September 29, 2015 at 12:00 in Khulo Municipality administration building. Representatives from the Ministry of Environment and Natural Resources of Georgia, public officers of the Khulo Municipality, local residents, AGL and Gamma Consulting attended the public meeting, totally 33 people. Details of the public hearing can be found in protocol, which was also submitted, to the Ministry of Environment. Final EIA is disclosed on the AGL website: [www.agl.com.ge](http://www.agl.com.ge).

Ghorjomi Pier construction was commenced upon receipt of the construction Permit in



November 2015, The Ghorjomi Bridge and road will be fit for purpose by October 2016.

Preliminary project solutions on waste rock disposal areas, access roads and Chirukhistsqali construction camp has been discussed Shuakhevi HPP ESIA report, on the basis of which the Ministry of Economy and Sustainable Development issued construction permit in July 2013. Acquisition procedure for these lands have not been considered in 2014 LALRP simply because of the fact that affected land plots were not identified and therefore, no relevant documentation has been prepared by that time. The layout scheme of waste rock disposal areas, access roads and Chirukhistsqali construction camp is given in Figure 2.

### 3. AGL’s Land Acquisition Policy

#### 3.1 AGL’s Guiding Policy Principles

AGL’s guiding principles for acquiring land for the Didachara Access Road and Ghorjomi Bridge, as well as for waste rock disposal areas, access roads and Chirukhistsqali construction camp follows those in the 2014 LALRP as demonstrated in Table 1.

Table 1 2014 LALRP Guiding Principles

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
<p>1. Land acquisition and resettlement will be minimized or avoided where possible. Where resettlement is unavoidable, RAPs and LRPs will be designed to minimize adverse impacts.</p>	<ul style="list-style-type: none"> <li>• To minimize land usage in the Didachara area related to the approach roads (upstream and downstream of the Ghorjomi Bridge), the design incorporated several elements of slope stabilization to minimize the extent of excavation that would have been necessary if the slopes were laid back at a reduced angle (which would have required more land) for the road thereby minimizing the land required. To construct a safe road, the adjacent sloped either had to be excavated back (utilizing more land) to a reasonable angle, or stabilized using slope stabilization measures. These elements of slope stabilization include the application of shotcrete, drilling and installation of soil nails and rock bolts, and construction of a structural concrete retaining wall.</li> <li>• On the downstream side of the bridge, to minimize requirement for additional land, in certain areas where the existing road is too narrow (not to national standards) the design is to add gabion baskets to the outer edge of the road to widen it (on land already owned and used for Didachara dam) rather than to purchase more land on the inner edge of the road to cut in to for widening the road.</li> <li>• In order to minimize impact on the population,</li> </ul>

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
	livelihood restoration approaches considered by 2014 plan have been applied. 48 APs out of 58 APs have already been engaged in livelihood restoration activities. 8 APs rejected as they live outside the Project area.
2. Land acquisition activities will be conceived and executed as sustainable development programs. Sufficient investment resources will be provided to enable the APs to share in project benefits.	<ul style="list-style-type: none"> <li>• Project benefits include employment of the APs as well as engagement in the livelihood restoration activities.</li> <li>• AGL land acquisition team and contractor companies were involved in development and implementation of land acquisition and livelihood restoration plan.</li> <li>• 48 APs out of 58 APs have already been engaged in livelihood restoration activities and 20 employed on the construction and other social projects implemented by AGL. None of them are women. AGL regards all families as vulnerable.</li> </ul>
3. AGL will aim to achieve negotiated agreements on land acquisition with all APs with expropriation only being followed as a last resort where negotiation fails. Either way, all LAR activities will be documented in RAPs and LRPs	<ul style="list-style-type: none"> <li>• All land acquisition has been achieved through negotiated agreements. There is no expropriation; all land compensation has been paid based on mutual agreements of both parties.</li> <li>• The contract is signed with land owners of each individual land plot, as well as all documents of land registration in the Public Registry, cash compensation payment approval documentation, documents about preliminary examination and evaluation of land plot, and delivery acceptance acts on transferring land title to AGL are available. There are also protocols on meeting with population. (See Annex 1)</li> </ul>
4. All APs will be meaningfully consulted and have opportunities to participate in planning and implementing resettlement activities;	<ul style="list-style-type: none"> <li>• Through careful land acquisition activities conducted during the project design and implementation process, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination among the various implementation entities, AGL tried to consult and inform all APs and this way prevent concerns. AGL conducted numbers of meetings with APs and consulted on the measures of land acquisition and compensation payment (See Annex 3).</li> </ul>
5. APs will be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them to pre-project levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.	<ul style="list-style-type: none"> <li>• All APs has been consulted on livelihood restoration measures. AGL already included land users/owners affected by the Didachara access road and the Ghorjomi Bridge in cattle breeding project as per their preference.</li> </ul>
6. An LALRP (or RAP if there is physical	<ul style="list-style-type: none"> <li>• There is no physical displacement within the</li> </ul>

<b>2014 LALRP Guiding Principles</b>	<b>Actions Taken by AGL to Demonstrate Compliance</b>
displacement) is prepared for each sub-project for permanent land acquisition;	<p>project areas covered in the framework of this completion report.</p> <ul style="list-style-type: none"> <li>AGL hired Expert 21 to carry out land and tree valuations, census and socio- economic surveys of affected households, then AGL had consultations with local government and affected persons, finally, AGL hired Gamma Consulting to prepare Completion Report of Land Acquisition for the Didachara Access Road and the Ghorjomi Bridge and Other Land Plots Not Covered by the Original LALRP</li> </ul>
7. There is consultation with affected persons, socio- economic surveys and consideration of vulnerability;	<ul style="list-style-type: none"> <li>AGL used the service of Expert 21 to undertake census and socio-economic surveys. Both surveys were completed at the end of March, 2016. Results of the surveys are included in this Completion Report (Annex 2 and Chapter 6).</li> <li>Considering that settlement within the impact zone of Shuakhevi HPP project suffer from lack of lands and have low income, vulnerability status was granted to each person, whose land plot was acquired within the project.</li> </ul>
8. Resettlement is avoided wherever possible and adverse impacts will be minimized first and mitigated second;	<ul style="list-style-type: none"> <li>There is only economic resettlement within the project areas covered in the framework of this completion report. During detailed design, efforts were made to minimize the amount of land to be permanently acquired and to mitigate and enhance livelihood restoration and contribute to improving AHs' wellbeing and community development. Through AGL's livelihood restoration projects, APs are engaged in livelihood restoration activities. 48APs out of 58 APs were covered by this Completion Report have already been engaged in livelihood restoration activities.</li> </ul>
9. The Project compensates people whether or not they are the formal owners, if they have a legitimate claim to land, structures, crops or other assets;	<ul style="list-style-type: none"> <li>AGL paid compensation to all affected APs regardless their legal status on land. APs may include owners or non-owner residents, and people occupying land without formal, traditional, or recognizable usage rights</li> </ul>
10. Options for compensation, such as land-for-land and full or partial cash compensation, are presented to APs wherever this is practical;	<ul style="list-style-type: none"> <li>Decision has been made to compensate for losses with cash rather than kind as this was the preferred mode of compensation by APs.</li> <li>Settlements within the project impact zone suffer from lack of agricultural land plots. It should be noted that there are no agricultural lands in the state ownership within the region, which can be acquired with the purpose of land replacement. Accordingly, the issue of land replacement with land was not discussed with affected households,</li> </ul>

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
	and it was not raised from their side too.
11. Cash compensation is based on replacement cost;	<ul style="list-style-type: none"> <li>• Replacement cost is defined as the market value of the assets plus vulnerability assistance and APs did not use their own financial resources in replacing assets of similar value. The vulnerability assistance of 10% the asset cost was provided in addition to the Market value.</li> </ul>
12. If resettlement sites are provided, they will represent an improvement on the APs' former houses;	<ul style="list-style-type: none"> <li>• There is no physical displacement within the project areas covered in the framework of this completion report, consequently no resettlement sites were provided.</li> </ul>
13. The Project established a transparent and accessible grievance mechanism for APs to use throughout the land acquisition process;	<ul style="list-style-type: none"> <li>• AGL aims to engage with stakeholders on land acquisition and resettlement in a manner that is conciliatory, fair and transparent. AGL Land and Social department is responsible for recording grievances which are related to land acquisition and compensation. While there were no specific grievances on these particular land plots, there have been enquiries from affected land owners/ users during community meetings regarding livelihood restoration projects and employment.</li> <li>• During meetings the mechanism of complaints and proposals has been explained to population (provisions for entry, discussion and response of complaints). The information about grievance mechanism is given in the present document.</li> </ul>
14. The Project provided training programs for APs so that they can access employment on the Project. AGL and its contractors hired a number of trainees and will continue to provide opportunities to hire them to provide a regular income to AHs. Certification of proof of work undertaken on the Project will be awarded so that APs may access jobs on future construction works in the region;	<ul style="list-style-type: none"> <li>• This approach was applicable for the Original LARP. For those APs who have been included in this Completion Report no training has been provided to APs with the aim of employment.</li> <li>• Each employee has been provided with corresponding instruction considering the specification of works prior to the start of the project construction works;</li> <li>• The training was provided to the APs, however considering the stage of the construction, there was no need to employ trained personnel.</li> </ul>
15. For the purposes of this Project, all AHs are considered to be vulnerable and will be treated as such;	<ul style="list-style-type: none"> <li>• Recognizing that many of the households in the area are vulnerable and dependent on State pensions and allowances, AGL paid each AH an allowance equal to 10% of the market value of the land being acquired.</li> </ul>
16. The Project aims to use a participatory approach in consultation with key stakeholders and APs regarding resettlement, in order to promote better and timely implementation of key processes such as valuation and relocation;	<ul style="list-style-type: none"> <li>• AGL informed AHs where and when compensation would be paid along with project schedule and dates for the development moratorium.</li> <li>• During the land acquisition process, each of the APs/AHs were informed about their rights defined under the AGL's Social Policy and</li> </ul>

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
	<p>were provided with full information about the project-related issues (terms, boundaries of the expected impacts, etc.) by the AGL's team working on land acquisition issues.</p>
<p>17. APs, who are all considered vulnerable have been included in consultation activities;</p>	<ul style="list-style-type: none"> <li>• All APs have been included in consultation activities</li> </ul>
<p>18. Resettlement documentation as of September 2013 has been disclosed; and this updated version will also be disclosed;</p>	<ul style="list-style-type: none"> <li>• Original LALRP of September 2013 has been uploaded on the Company's webpage. This Completion Report will also be disclosed to public</li> </ul>
<p>19. Livelihood restoration and resettlement activities will be monitored during Project implementation via internal monitoring and resettlement completion audits.</p>	<p>APs are included in the livelihood restoration activities defined by the original DLRP. Once all land acquisition is completed in the Project, the final Completion Report will be issued covering all lands. Besides, AGL will undertake the survey in order to assess to what extent APs managed to restore their livelihood with the compensation and livelihood activities implemented by the Company.</p> <p>Monitoring, evaluation and reporting are key elements of the LRP activities. The activities are subject to internal and external monitoring. Internal monitoring is conducted by AGL social staff on a regular basis, assisted as necessary by the social advisor; as for external monitoring, it will be assigned to an independent organization with expertise in monitoring of the similar projects.</p> <p><u>Internal monitoring</u></p> <p>AGL social team consists of 16 team members out of whom 9 are directly involved in implementing LRP activities. They are involved in:</p> <ul style="list-style-type: none"> <li>-informing locals about the upcoming project; disclosing information on project activities;</li> <li>-assisting partner organizations in organizational issues;</li> <li>-attending meetings/training and observing the progress of projects</li> </ul> <p>Apart from site visits, partner organizations' obligations and their performance are assessed against contracts, timeframe and budget. Results of internal monitoring are included in monthly progress reports. AGL set up a database in order to record all CSR and LRP activities in the affected villages. Recording activities assist AGL staff to monitor the project progress against the</p>

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
	<p>baselines. The database covers all activities which are financed from the CSR/LRP budget.</p> <p><u>Reporting</u></p> <ul style="list-style-type: none"> <li>• Reports are prepared on a monthly basis by partner organizations or sometimes depending on the scale of work upon the completion of the activity and submitted to AGL. AGL reviews the reports and checks performance of partners and results of the activities. All activities are covered in Monthly Progress Report and shared with management and owners.</li> </ul>

### 3.2 Methods for Valuing Assets

This section describes the methods used to determine compensation rates and the field work undertaken to ascertain sources of livelihood of affected households.

#### 3.2.1 Replacement Cost as the Basis for Compensation

In-kind compensation for AHs (which is required under the ADB SPS) cannot be adopted for this project due to the following reasons:

- In general, there are not sufficient available land plots in Adjara region and in particular, within the project areas (mountainous Adjara). Agricultural lands are located on eroded slopes of complex terrain. Landslides and erosion processes frequently occur, which damages the agricultural land;
- All agricultural lands adjacent to the zone of influence of the project are privatized and therefore acquisition of compensatory lands from the state is practically impossible;
- Almost every potential arable land plot is already in use. The remaining land is largely unused for livelihood purposes, with the exception of some grazing;
- Due to the lack of agricultural lands within the project region, AGL was not able to replace affected land plots with other lands (payment in kind), since through purchasing land plots from other families, arable land access challenges would be transferred from one family to another.

As the studies conducted during the land acquisition process have shown, in almost all cases land losses are partial which means AHs are only losing parts of their total land holdings, some less than 10%. According to the results of the analysis of the acquired plots, none of the affected households lose arable land. Much of the affected land is rocky and/or under forest and is not actively used by its owners.

Based on the above mentioned, AGL compensated for losses with cash, as was done for land acquired under 2014 LALRP.

IFC, EBRD and ADB require replacement cost to be the basis of cash compensation for mitigating losses when in-kind compensation (i.e. land for land) is not possible. Replacement cost is defined as the market value of the assets plus transaction costs. AGL compensation included 10% of market value as vulnerability assistance over and above replacement cost. Acquisition of premises and buildings did not take place within the project implementation as it was not required.

AGL followed these principles during land acquisition procedures so that APs did not have to use their own financial resources in replacing assets of similar value. This means replacement costs incorporates relevant transfer taxes, registration fees, and any other costs for land acquisition. All these costs were covered by AGL.

AGL hired an independent land assessment company in Batumi called Expert XXI Ltd to undertake the valuation. The company "Expert XXI" used the methodology adopted in valuation practice, in particular:

The three generally recognized approaches used in real estate appraisal are:

- Sales Comparison Approach (direct comparison);
- Income Capitalization Approach;
- Cost Approach.

Due to the fact that no improvement activities have been carried out on the majority of the land plots, the company "Expert XXI" mainly used a sales comparison method (direct comparison) as their approach. Cost approach was used for those land plots on which perennial plants are represented or where some improvement activities are carried out (fencing, terracing, etc.). As research showed, in case of the subject property, income is unstable and there is no statistical information about income, and therefore the value identified through income capitalization method would not be real and that's why this method has not been used. Typically, in the sales comparison approach, market value is estimated by comparing properties similar to the subject property that have recently been sold, or are listed for sale. In case of all subject properties, the Company "Expert XXI" obtained the complete and reliable information about recently sold three land plots in the region. The assessment took into consideration the land purpose, usage, market condition, location and general characteristics. Based on the above mentioned, the company was able to define the value closely matching with market conditions. Following activities have been implemented by the company "Expert XXI" for the determination of market value through comparative analysis method:

- Collected and analyzed the data about properties similar to the subject property;
- Undertook the market research and obtained reliable information on the factors that affect the price of the subject property;
- Verified obtained information, in order to be sure in its accuracy and proper motivation of each transaction;
- Identified the applicable units of comparison and made a comparative analysis;
- The subject properties have been compared with the comparable properties in order to adjust their sale price or to delist the comparables;
- Analyzed and adjusted the comparables and reconciled the value indications;
- Estimated the value for the subject property.

The Company "Expert XXI" determined an average price of 8.492 GEL per square meter for land within the Shuakhevi Project area, including forestry land.

### **3.2.2 Determination of Compensation Values**

The methodology followed for valuing various assets is summarized below:

- Survey of the initially assessed market value has been carried out, namely: for the implementation of these works, AGL contracted an independent auditing company

registered in Batumi. The value obtained as a result of the survey was adopted as the replacement value and was offered to each of the Affected Households.

- Houses and buildings: No houses and buildings got within the project impact zone.
- Crops: They are valued at gross market rates at the farm gate for the first year crop. In the eventuality that more than one year of compensation is due to the AP, the crops after the first are compensated at net market value. AGL contracted an independent and impartial third-party specialist in agricultural land values to identify market rates and value.
- Trees: They are valued based on the type of tree, its age and productive value. AGL contracted an independent realtor to establish a typical production amount with botanists and a unit value for the species existing in the area. Expert XXI Ltd based on a review of market price and discussion with the Batumi Botanical Garden staff has identified replacement costs for approximately 20 species. The price of perennials has been determined according to their age. Expert XXI has determined the number of required years according to types of trees. The price of fruit trees has been calculated by multiplying of annual average harvest to the market price per kilo and multiplies by 8 years for walnut, quince and mulberry trees, and 5 years for other trees. 5 and 8 is the number of years, needed for growing new perennials.

### **3.2.3 Asset Data Collection for Valuation**

For the evaluation of the assets within the impact zone data collection process will be carried out in accordance to the procedures established in 2014 LALRP. Data collection process has been launched from May 2015 and continued till March 2016. Household heads of potentially affected properties were contacted by AGL staff to carry out the following types of surveys aimed at establishing the valuation of assets and the socio-economic conditions of AHs:

- A household census to identify total numbers and characteristics of APs (See Annex 2). This census was undertaken in February-March 2016 and identified 100% of AHs (58 in total). Census recorded each affected household, all family members, age, social status, health condition. Detailed research [May 2015 -March 2016] has been conducted in order to evaluate all potentially affected asset. Based on the results of the survey, 58 privately owned land plots and 1 state owned land are within the project impact zone, out of which trees are represented on 18 privately owned land plots. Affected land plots have been categorized (agricultural, non-agricultural, forestry, arable, pasture, mowing). Trees have been characterized according to their types, age, size and productivity. All assets have been recorded in photographs.
- A socio-economic survey of AHs was undertaken in February-March of 2016 (Paragraph 6). The socio-economic survey covered the major socio- economic features of the affected population (including but not limited to ethnicity, education level, modes of livelihood, income sources and levels, house type and amenities, and land tenure types). It established baseline conditions with regards to well-being and access to services. As mentioned above, 59 land plots are situated within the project impact zone, out of which, 1 land plot is in a state-ownership and 58 are in private use, of which 1 is privately owned and the remaining 57 are unregistered users. Out of the 58 families, 56 families were interviewed for socio-economic survey. Two of the affected households could not be reached as they changed the place of residence and no information was available about their current place of residence. Considering the fact that 97% of families have been interviewed, there's no need to conduct additional surveys.



### 3.3 Right of APs to Compensation

Under Georgian law only registered owners are entitled to be compensated for land. Under IFC, EBRD and ADB standards, unregistered owners and users are eligible for compensation in addition to those who are registered. AGL has elected to treat registered and non-registered land and property owners and users equally. Provided the owner or user can prove through testimonies from neighbors and local officials that the asset is theirs, AGL fully compensates them. AGL is to acquire assets that are free of any encumbrances and to the extent possible do not affect any households other than themselves. Where this is not possible, users are being compensated regardless of registration status.

To summarize, the Project eligible APs include:

- AHs with registered title or who have customary deed or traditional land rights as vouched by the local administration;
- Tenants and sharecroppers, whether registered or not;
- Registered and non-registered owners of buildings, crops, plants, or other objects attached to the land;
- APs losing business, income, and salaries because of the Project land and asset acquisition;
- Community services and infrastructure affected by the Project are also eligible for compensation.

### 3.4 Eligibility Cut-off Date

The cut-off date for any affected person to claim eligibility for compensation is the date the full asset inventory and Census of affected people was completed. The following cut-off dates are applicable:

**Table 2 Cut-off date**

<b>Project Component/Area</b>	<b>Eligibility Cut-off date</b>
Access Road Surge Tunnel 24.07.36.299	November 2012
Chanchkhalo Adit and Access Road 24.02.33.223	March 2016
Chirukhistsqali Camp Site and Spoil Area 1A 24.04.40.206	March 2016
Chirukhistsqali Camp Site and Spoil Area 1A 24.04.40.205	March 2016
Didachara Dam Site 23.03.33.048	March 2016
Gurta Spoil Area 23.02.37.090	March 2016
Gurta Spoil Area 23.02.37.092	March 2016
Spoil Area 3 23.03.34.030	March 2016
Spoil Area 3 23.03.34.041	March 2016
Spoil area 3 23.06.33.270	March 2016
Spoil area 7 +7A 24.02.32.073	March 2016

Options Contracts have not been signed with the affected persons within the framework of this

project because AGL had already obtained all necessary permits and the Project financing was secured.

### 3.5 Compensation Eligibility

A principle of 2014 LALRP is that affected livelihoods will be restored to pre-project standards and if possible improved. Entitlement will be based on type of loss and in some cases AH characteristics. An AP or AH may suffer various losses and be eligible for various allowances. Documentation of ownership or occupancy and compensation arrangements will be issued in the name of owner and in case of land usage in the name of one of the spouses.

AGL implements compensation and livelihood restoration measures based on the Project entitlement matrix. Table 2 below summarizes entitlements to be provided to the APs following the entitlement matrix of the 2014 LALRP. Below is stated that AGL paid the Market Rate of 8.492 GEL and agreed upon a negotiated rate of 8.492 GEL + 10% to compensate for the loss of land.

**Table 3 Summary of Compensation Entitlement**

Entitlements	Unit	Amount	Remarks
Personal land	m <sup>2</sup>	8.492 GEL <sup>2</sup> - 3,91 USD	Different land plots were assessed at market values ranging from 6.94GEL to 13.625GEL averaging 8.492GEL for all land.
Walnut, Quince and Mulberry Trees	Annual average harvest x market price per kg x 8	Various	The price of perennials has been determined according to their age. The price of fruit trees has been calculated by multiplying of annual average harvest to the market price per kilo. In case of walnut, quince and mulberry trees, market price was multiplied by 8 years. 5 and 8 is the number of years, needed for growing new perennials.
Other fruit trees	Annual average harvest x market price per kg x 5	Various	The price of perennials has been determined according to their age. The price of fruit trees has been calculated by multiplying of annual average harvest to the market price per kilo. In case of walnut, quince and mulberry trees, market price was multiplied by 5 years. 5 and 8 is the number of years, needed for growing new perennials.
Vulnerability allowance	Lump sum	10% of land valuation	All land valuations to be increased by 10% as vulnerability allowance
Livelihood restoration	Affected Household	No price Equivalent Available	Affected Households (AH) will be included in livelihood restoration activities
Options Contract signing allowance			Within the project Options Contracts has not been signed with affected persons
Severity assistance			Severity assistance has not been granted and all APs have been paid 10% markup as vulnerability allowance.

As shown from the table the land was mainly used for livestock grazing, but no residences or other structures were present in the area, land was not suitable for agricultural activities, and no physical

<sup>2</sup> As the exchange rate was fluctuating at the moment of payment of compensation, conventional exchange rate of Dollar against Lari is assumed as 2,17.

displacement of population was required. Compensation for the orchards, based on valuation made by a company Expert XXI the certified auditing company in valuations of property, has been calculated according to the crop market value taking into consideration productivity with respect to climatic conditions. The compensation has been paid five and eight times of the one year crop market value, depending on the type of the tree.

#### 4. Land Acquisition and Resettlement Impacts

Totally 59 land plots were identified out of which 57 are non-registered users of land, meaning they were using the land plots but had no legal ownership of them, one legal owner, and one state owned land plot which was purchased directly from the state.

AGL used the same approach for the compensation as with the Shuakhevi Hydro Scheme. AGL paid in addition to compensation an extra 10% to the full market value for each of the 58 land plots acquired. The majority of the land plots were unregistered. During the land acquisition process, AGL formally registered non-registered plots. All costs related to registration were paid by AGL. Registration processes for the majority of land plots was finalized by the end of December 2015. The list of affected people and detailed information on the areas of the lost land plots and fruit-bearing plants is given in Annex 1.

Table 4 Loss of Land

Project Component/Area	Village/s	Less than 10%		10%-20%		21%-50%		Over 50%		assume total loss - 100%		N/A [State land]		Grand Total	
		N	%	N	%	N	%	N	%	N	%	N	%	N	%
Access Road Surge Tunnel 24.07.36.299	Akhaldaba	1	2	1	2		0		0		0		0	2	3
Chanchkhalo Adit and Access Road 24.02.33.223	Chanchkhalo	3	5	1	2		0		0		0		0	4	7
Chirukhistsqali Camp Site and Spoil Area 1A 24.04.40.205	Makhalakidzeebi	4	7	1	2	3	5		0		0		0	8	14
Chirukhistsqali Camp Site and Spoil Area 1A 24.04.40.206	Makhalakidzeebi	2	3	3	5		0		0		0		0	5	8
Didachara Dam Site 23.03.33.048	Didachara	7	12	7	12	10	17		0		0		0	24	41
Gurta Spoil Area 23.02.37.090	Gurta		0		0	4	7	2	3		0		0	6	10
Gurta Spoil Area 23.02.37.092	Gurta		0		0		0	1	2		0		0	1	2
Spoil Area 3 23.03.34.030	Didachara		0		0	1	2		0		0		0	1	2
Spoil Area 3 23.03.34.041	Didachara	1	2		0	1	2	1	2		0		0	3	5
Spoil area 3 23.06.33.270	Diakonidzeebi		0		0		0		0		0	1	2	1	2
Spoil area 7 +7A 24.02.32.073	Gorkhanauli		0	2	3	2	3		0		0		0	4	7
<b>Grand Total</b>		<b>18</b>	<b>31</b>	<b>15</b>	<b>25</b>	<b>21</b>	<b>36</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>59</b>	<b>100</b>

Based on the information given in Annex 2, 31% of the AHs lost less than 10% of their land, which cannot be considered as a significant impact. All the purchased land plots are used as pasture, and they are not used for cultivation or farming purposes. At the same time all the remaining families have enough land for agricultural activities. Relatively significantly affected families (61%) lost 10%-

50% of their lands, while only 4 lost more than 50% of their lands, which should be considered a very significant impact. Therefore, these 4 families are assumed to be particularly vulnerable groups, which need proper attention in terms of livelihood restoration measures. Out of 56 interviewed AHs, the head of 3 families are women; therefore, they also should be included in particularly vulnerable groups. Trees and plants are represented on land plots purchased from 18 AHs. In total, 348 trees have been affected. The dominant was the walnut trees (93) and the cherry (83) trees. Numbers 27 to 30, given in Annex 2, were needed to install drainage pipes for Ghorjomi Bridge access road. Upon excavation of the road, the ground conditions were found to less than favorable and as a result of the shallow excavation works, a localized landslide on a small scale occurred caused damage. AGL followed the existing land compensation procedures to reimburse the affected people for their loss in full. Registration process was commenced in July 2016 as it was determined that the 4 outstanding land plots are required for permanent use. The economic impact of loss of land is considered marginal as the land plots were not arable and did not have any cultivation. They were primarily used only for mowing (for hay) or pastures (for grazing). The valuation method used adequately compensated for the lost land.

## **5. A Brief Summary**

The following can be concluded based on the analysis of the actions taken by AGL in the process of acquisition of lands for the arrangement of Didachara access road, Ghorjomi bridge, Chirukhistsqali camp, waste rock disposal areas and other infrastructure:

- 31% of the affected households have lost less than 10% of their lands, in return for which they received the agreed price of land and 10% additive. If we consider that in such families have enough remained area for agricultural activities, it can be said that livelihood restoration measures for such families are desirable, but not necessary;
- Planning and implementation of livelihood restoration measures is a necessity for families (69%) who have lost more than 10% of their lands. In this regard, special attention should be paid to those 4 families who lost more than 50% of their lands. Two, out of these 4 families are headed by women;
- Trees are represented on land plots of 18 AHs. AGL reimbursed the price of plants, according to their types, age, yield and the market value of the production. In case of involving the affected families in agricultural services improvement programs, they will be given the possibility to take reasonable knowledge on the household management best practices;

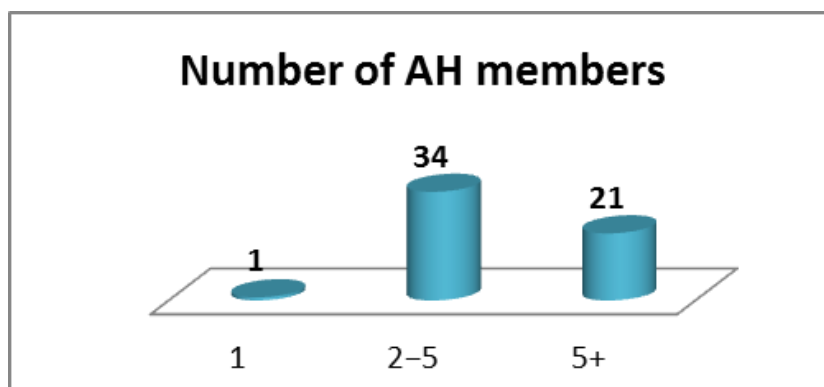
## **6. Socio-economic Profile of Affected Households**

There are 336.5 thousand residents in Adjara region, and 23.5 thousand out of them are residents of Khulo municipality, as of 2015 (National Statistics Office of Georgia).

The ethnical composition of the project area population is mainly homogenous, as for 2002 data, 99% of people living in Khulo and Shuakhevi, are Georgians. The major part of Adjara population belongs to the ethnic sub-group of Georgians, named as Adjarians, they were also known as "Georgian Muslims". According to 2006 Adjara Statistics Office assessment, today 63% of population are already Georgian Orthodox Christians, and 30% - Muslims.

Distribution of households according to the number of affected household members is given in Figure 4, according to which there is only one household with a single member within the project area, who is a 79-year-old pensioner.

Figure 4 Number of AH members



The 64% of the surveyed affected households responded positively to the question, whether any of the family members use the medical services: a visit to doctor, medical center or hospital within the last 12 months. 38% of respondents replied that sometimes they needed medical care, but due to the high prices on medical services, they could not get medical care.

In the result of socio-economic survey, carried out in Didachara and neighboring villages, it is stated that 16 from affected persons are of pre-school age, and 44 children are of a school age and all of them go to school.

Respondents were asked to assess level of education. 90% of respondents stated that they are “very satisfied” or “generally” satisfied with the level of secondary education, and only 10% expressed their neutral position.

Table 3 provides the information on education level in Georgia and in villages of affected persons. Data are obtained from socio-economic survey results carried out within the project.

Table 5 Level of education in Georgia and in the affected villages

	Illiterate	Basic Education	Incomplete Secondary Education	Secondary Education	Occupational Education	Incomplete Higher Education	Higher Education
<b>Georgia</b>	0.6%	13.4%		36.9%	19.1%	3.7%	26.1%
<b>Didachara village</b>	0.00%	1.71%	19.66%	53.85%	4.27%	5.13%	15.38%
<b>Makhalakidzeebi village</b>	1.67%	0%	21.67%	53.33%	6.67%	11.67%	5%
<b>Akhaldaba and Chanchkhalo</b>	0.00%	0.00%	29.41%	47.06%	0.00%	11.76%	11.76%
<b>Other neighboring villages</b>	0.00%	0.00%	28.07%	22.81%	17.54%	7.02%	24.56%

Only three households out of 56 interviewed affected households are managed by women. Among 137 women within impact zone, 37 is a student or pupil, 27 is a pensioner. Despite almost equal number of women and men, socio-economic survey of the affected households showed

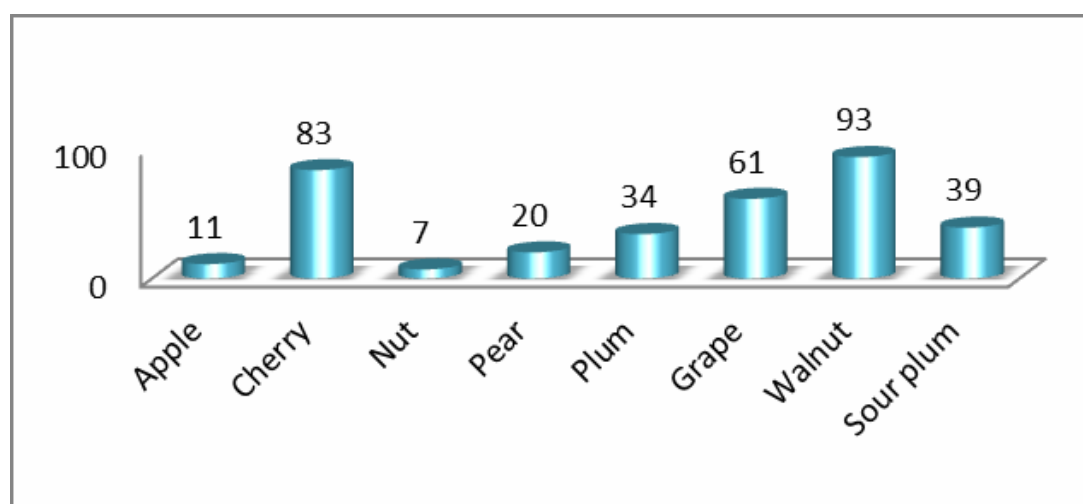
that number of employed women (16 employed women) is 2-times less than the number of employed men. The conducted surveys revealed that cash income of economically active women ranges between 100 and 400 GEL. Based on the survey, women's portion of household earnings is more in 10 families.

**Table 6. Affected households and individuals**

Village	Total number of affected households	Total number of males	Total number of females	Total number of affected persons	Total number of extremely affected households (lose >50% of productive land)
Makhalakidzeebi	13	29	33	62	
Gorkhanauli	3	8	10	18	
Chanchkhalo	4	7	5	12	
Didachara	27	60	63	123	1
Diakonidzeebi	2	4	8	12	
Akhaldaba	1	4	2	6	
Ghurta	5	14	16	30	3
Dioknisi	1	3	1	4	
<b>Total</b>	<b>56</b>	<b>129</b>	<b>138</b>	<b>267</b>	<b>4</b>

Determination the loss of affected persons showed that 4 affected households lost more than 50% of land under usage. It should be noted that among those affected by land acquisition, only one of them is a legal owner while the rest are under “usage”, i.e. they are using unregistered land which are mostly forest land or pasture lands. 36 households 10-50% of their land lost and 18 lost less than 10%. As for the loss of fruit trees, 348 trees have been impacted, which were in the ownership of 18 households. Detailed information about the type and number of trees is given in Table 5 and Figure 5.

**Figure 5 Affected trees**



**Table 7 Types and number of affected trees**

<b>Tree</b>	<b>Number of trees</b>	<b>Number of households</b>
<b>Apple</b>	11	4
<b>Sweet cherry/cherry</b>	83	11
<b>Nuts</b>	7	3
<b>Pear</b>	20	8
<b>Plum</b>	34	4
<b>Vine/grapes</b>	61	6
<b>Walnut</b>	93	15
<b>Wild plum</b>	39	7
<b>Total</b>	<b>348</b>	<b>58</b>

As to the social-economic surveys, areas of the affected land varied between 536-41,120 m<sup>2</sup> before the impact. Most part of the affected lands was pastures. Forests of the mentioned territories are also used as pastures for the cattle. Some affected households cultivate or irrigate their own land plots. 86% of the interviewed affected households (48 families out of 56 interviewed) own arable lands. Some households don't cultivate such lands and they name two reasons for this: (i) far distance to the lands, (ii) their lands is too small for cultivation.

As majority of interviewed affected households' state, despite the fact that some lands are not cultivated, the land is their main income source. 64% of the affected households of Didachara and its surrounding villages don't sell their harvest and the rest sell just small amount of their harvest. These affected households sell their harvest to traders, who then sell them in the market. There is no evidence of the affected households selling their harvest directly in the market.

Socio-economic survey has revealed that the average area of the house of AHs is 135 square meters. The minimum dwelling space was 20 square meters, and the maximum - 400 square meters.

As for the question of home improvement, 96% (54 out of 56) confirmed that they have electricity. More than half of them state that they are regularly supplied with water and have water heater. Gas supply and absence of sewage system are serious problems. 68% of interviewees state that their living conditions are satisfactory, 14% said that they have good living conditions and the rest 16% consider their living conditions are unsatisfactory. Social-economic surveys studied poverty and economic grievance indicators. In terms of net income, 80% of interviewees said that they suffer from lack of funds or have just enough money to cover the necessary expenses. None of the respondents positively assessed their social condition.

Almost half of them state that their economic situation is same as it was three years ago. 25% state that the situation has been worsened and 27% state that the situation has been improved.

Migration for searching work and the remittances are important for those affected households that live in Didachara and its surrounding villages. Every third family member of the interviewed households (18 out of 56 families) has been in emigration for the last three years. They mostly go to Turkey. Migration is mostly seasonal and temporary.

Average monthly income of the interviewed families is 790 GEL. Recorded minimum income is 50

GEL and maximum 2,400 GEL.

Average annual income of AHs according to the villages is given in Table 6.

**Table 8 Average annual income of AHs**

Makhalakidzeebi	Gorkhanauli	Chanchkhal	Didachara	Diakonidzeebi	Akhaldaba	Ghurta	Dioknisi
12130	17480	3980	8078.2	11160	6000	11764	600

Out of 56 interviewed households, 17 are considered as belonging to vulnerable groups:

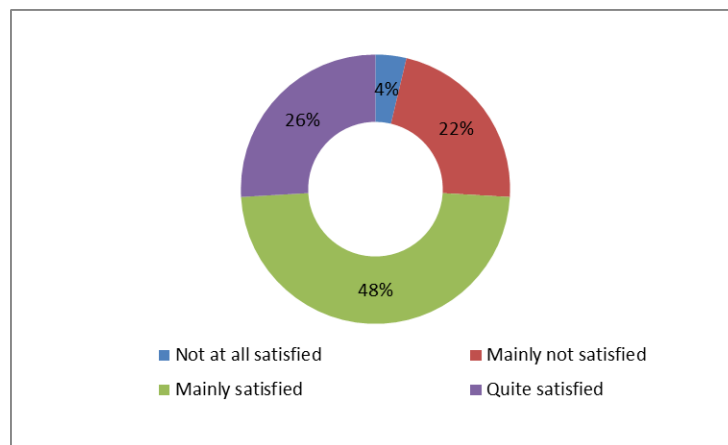
- Headed by female- 3 household;
- Headed by elderly- 12 head of household are pensioners, out of which 1 is lonely pensioner;
- Headed by disabled- 2 head of household has 2<sup>nd</sup> degree of disability.

None of APs interviewed during the socio-economic survey are under the poverty line.

According the results of the status of employment, 19% considers that they are employed, 22% are unemployed, 22% of females consider themselves as housewives, 22% are students or pupil and 18% are pensioners. About 40% of affected persons, who considers themselves as employed, works in the state sector.

**Figure 6 shows the level of satisfaction of APs with their current job.**

**Figure 6 Job satisfaction**



**Figure 7 Average monthly expenses**

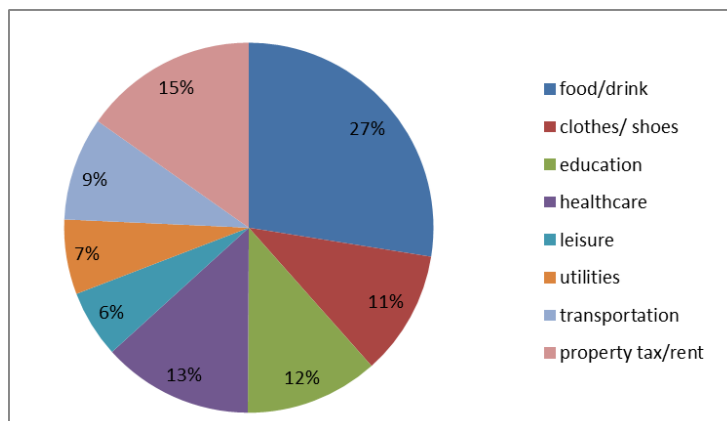


Figure 7 shows the average monthly expenses of the family. Diagram clearly shows that the major



expenses of the surveyed families are for food, utilities and healthcare.

## **7. Grievance Management and Redress**

Adjaristskali Georgia LLC aimed to engage with stakeholders on land acquisition and resettlement in a manner that is conciliatory, fair and transparent. Care was taken to prevent grievances rather than going through a redress process. Through careful land acquisition design and implementation, by ensuring full participation and consultation with the Aps, and by establishing extensive Liveliocommunication and coordination among various implementation entities, AGL tried to minimize grievances.

There are following grievance redress principles

- APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and at the time of compensation;
- Each grievance will be registered, its receipt acknowledged, and tracked until closure;
- All grievances will be processed and responded to within a reasonable period of time; and,
- The overall objective is to avoid resorting to judicial action for as many grievances as possible.

Language, literacy and gender are not an impediment for complainants. Presentation of complaints does not incur undue costs to the complainant

AGL followed all principles considered by 2014 LALRP and provided population with full information on grievances. It should be noted that to date, no grievances have been recorded in relation with acquisition of land plot within LRP zone. However, APs asked some questions and expressed their concerns during the community meetings.

Grievances and comments should be sent to the Community Liaison Officer to the address below

Name: Indira Kekelidze  
Address: Khichauri main camp, Shuakhevi Municipality  
E-mail: [Indira.kekelidze@agl.com.ge](mailto:Indira.kekelidze@agl.com.ge)  
Website: [www.agl.com.ge](http://www.agl.com.ge)

## **8. Livelihood restoration**

### **8.1 Livelihood Restoration activities**

The Detailed Livelihood Restoration Plan (DLRP) of October 2014 identifies 4 major livelihood activity categories:

- Agricultural activity:
  - Nut production;
  - Livestock;
  - Beekeeping;
- SME development support activities:
- Employment on temporary and permanent (more than 3 month employment) jobs during the construction of the HPP.

Agriculture is regarded as one of the key sectors for the livelihood restoration, and majority of the Affected Households (AHs) would like to be engaged in agricultural production. Based on the survey results, none of the AHs refused participation in programs on livelihood restoration measures.

All families within the project impact zone, including those AHs discussed in this report, have the opportunity to participate in livelihood restoration programs planned by AGL. As of February 2016, AH of the Gorjomi bridge and Didachara access road attended only cattle breeding training as when beekeeping was commenced in June 2015

Involvement of APs in livelihood restoration programs and monitoring of the outcomes are conducted in accordance with the requirements of detailed plan of livelihood restoration (October 2014).

### **8.2 Agricultural activities**

#### **8.21 Beekeeping**

The first livelihood activity launch by AGL is beekeeping. This activity is implemented by the Tbilisi based biological farming association Elkana with the duration of 12 months. Training includes:

- General information meetings
- Beekeeping and importance of its development in Georgia.
- Bee diseases and its prevention measures.
- Honey extraction, extrusion, filtration and sealing.
- Food safety requirements in the beekeeping.
- Spring examination, feeding and preparation for productivity.
- Royal jelly production.
- Bee queen production.
- Current organic method use in beekeeping.

The first training on beekeeping commenced in June 2015. Meetings are held one time in every month separately with these three training groups. To date 7 trainings have been conducted on various topics included theoretical as well as practical studies. Duration of each training is 2 hour

Delivery of beehives and bee farming equipment is one of the components of the project. The first delivery of beehives happened in the beginning of the project last year; the second delivery is expected spring 2016. Since the attendance and performance at training is the requirement for the eligibility for receiving this equipment, those who did not attend the training and received bee hives will be required to attend additional training organized by the Elkana but they will not receive the second delivery of equipment. For the eligibility of receiving the second delivery 80% of attendance on the training is required.

AHs both from the Shuakhevi hydro power project and Ghorjomi Bridge favor from the livelihood restoration activities, though AH of the Gorjomi bridge and Didachara access road attended only cattle breeding training as when beekeeping was commenced in June 2015, land acquisition process was not finalized by that time. AGL will continue to implement LRP projects so all AHs are reached and included in livelihood restoration projects.

### **8.2.2 Cattle breeding & Nut production**

Another activity which will be implemented as a measure for the livelihood restoration is training in efficient techniques of nut production and also cattle breeding and poultry. AGL announced a Call for Proposal in mid-July 2015 to select the best Non-Governmental Organization (NGO) for implementation these projects taking into consideration their past experience in managing and implementing similar projects.

The Association of Business Consulting Organizations of Georgia, "ABCO-Georgia" won the contract in November 2015 and completed a baseline study based on a visit to 4 target villages to meet local farmers in order to gather information about the existing situation and problems. (Full report on baseline study is available and can be shared with lenders upon request). Initially AGL identified 70 households interested in cattle breeding and 2 farmers in poultry; though during the baseline study the figure was reduced to 62. Besides, 1 farmer rejected to participate in poultry training, since a separate project cannot be developed only one person, ABCO Georgia suggested a two day study tour for the AP to poultry farm in Dzevera (Shida Kartli, eastern part of Georgia) where this farmer learned theoretical as well as practical aspects of poultry farm management.

Bases on information obtained during the baseline survey, the following topics are suggested to be delivered to cattle breeding farmers:

- Effective crops for cattle feeding (Alfa Alfa, Esparset, Beetroot, Corn).
- Environmentally-friendly farming, no-till technologies, effective methods of irrigation;
- Hay silage and corn silage production, effective machinery and technologies;
- Effective methods of winter feed production;
- Feeding value of different crops;
- Cattle feeding and composition of feeding portions;
- Preparation of cattle feed and main principles of feeding;
- Utilization of manure and biogas production;
- Farmer organizations and cooperation

Affected households covered by this completion report may participate in this program. Information about the further developments of training will be given in the monitoring report.

### **8.3 Manufacturing and services**

AGL is still exploring opportunities for construction of manufacturing facilities and services. AGL obtained some information about the main activities proposed by locals during the focus group

meetings, namely:

- Dairy production factory is already being constructed in Dioknisi, the project is co-funded by the Mercy Corps;
- Set up of Fruit juice production factory in Shuakhevi has been delayed;
- Slaughter house/mobile milk collector AGL has been negotiating with the Ministry of Agriculture about purchasing a slaughter machine for both municipalities, but since the maintenance and running the business seemed risky AGL rejected to finance this kind of projects.
- Potato chips; AGL obtained information about the machines and techniques for this business, which seems very expensive
- Tobacco factory; AGL will not support business related to alcohol or tobacco.

#### 8.4 SME and business activities

During focus group meetings for the livelihood restoration activities, majority of farmers were more supportive to agriculture projects as they have been engaged with agricultural production and livestock rearing for generations. As for SME this is new for them and due to not enough skills to run business, AGL considered risky to propose this activity as a livelihood restoration measure. AGL has been implementing a project for the support of small business for the non-affected persons within the CSR projects.

#### 8.5 Employment

Since employment remains the key priority for the affected people, AGL tries to extend number of short-term employment. From among the 58 households covered by this Completion report, 20 have been employed by AGL and its contractors.

#### 8.5 Rehabilitation of Spoil Areas as Pasture Lands

Affected households may still wish to continue their livestock raising activities, hence, best efforts will be made by AGL to re-vegetate spoil areas will be re-vegetated if practicable so that over time these can be used as pasture or grazing areas.

#### 8.6 Timeframe and Budget of livelihood restoration activities

Livelihood activities will continue in 2016 and 2017. The following activities will be conducted

**Table 9 Timeframe of livelihood restoration activities**

Activity	Date [Month/Year]
A. Agricultural Programs	
Beekeeping	May-November, 2016
Cattle breeding & Nut production	Mar, Apr and Sep, 2016
Manufacturing and services	N/A
SME and business activities	Ongoing
B. Employment	2013-Dec, 2016
C. Rehabilitation of Spoil Areas	Re-cultivation will start from Mar 2017

**Table 10 Budget of livelihood restoration activities**

A. Agricultural Programs	
Beekeeping	200,000GEL
Cattle breeding & Nut production	206,000GEL
Manufacturing and services	N/A
SME and business activities	100,000GEL
B. Employment	210,000GEL
C. Rehabilitation of Spoil Areas	217.000GEL

## 9. Budget and Chronology

All land required for the Works has been acquired and is under AGL's ownership, except 6 land plots which are in process of registration. The process of payment compensation went through the legal procedures and there is no evidence of any complaints from communities. All contracts both for trees and land have been signed and compensation been already paid. Compensation for trees were paid for apple, cherry, plum, pear and hazelnut five times the crop market value, as for walnut – eight times. To sum up, total compensation paid for orchard is 101,496 GEL. Whereas total amount paid for the land is 731,744 GEL.

**Table 11 Land acquisition compensation and budget**

Item	Unit	Amount	Quantity	Budget (GEL)
<b>Personal land - Agriculture</b>	m <sup>2</sup>	8.492 GEL (initial price)		731,744
<b>Fruit and nut trees and saplings</b>	annual average harvest x market price per kg x replacement cost multiplier	Various	348	101,496
<b>Vulnerability allowance</b>	Lump sum	10% of land valuation	N/A	66,582.18

Land acquisition process was commenced in December, 2014 and lasted almost one year. Table below represents the chronology of various processes.

**Table 12 Land acquisition process chronology**

N	Action	Responsibility	Status	Date of completion
<b>Land identification and negotiation</b>				
	Scheme design	AGL	Completed	November, 2015
	Land user identification	AGL land team	Completed	July, 2015

	Valuation of the plot and market price determination	AGL land team	Completed	August, 2015
	Meeting with land users and opinion collection	AGL land team	Completed	September, 2015
	Determination of the Offer Price	AGL land team	Completed	August, 2015
	Conclusion of contracts	AGL land team	Completed	September, 2015
	Payment of Compensation	AGL	Completed	September, 2015
<b>Land registration</b> <sup>4</sup>				
	Preparation and submission of cadastral maps to the Public Registry	AGL land team	Completed	August, 2015
	Registration of the land plots on the name of the State according to the submitted maps	AGL land team	Completed	August, 2015
	Submission of request on transfer	AGL land team	Completed	December, 2015
	Resolution of the GoG on transfer	AGL land team	Completed	December, 2015
	Conclusion of the contract with national state property agency (on behalf of GoG) about	AGL land team	Completed	December, 2015
	Submission of request to national public registry agency about registration of land plots	AGL land team	Completed	December, 2015

All the land users will be notified about the timing of commencement of construction activities. Precise mapping of land plots enabled to correct land user identification. Immediately after identification in January 2015 all land users were notified about the expected impact incurred from the construction works.

## 10. Communication

Consultations with AHs have been carried out in accordance with the requirements of Stakeholder Engagement Plan of 2014 LARP. According to the plan, during the land acquisition process APs should be provided with appropriate consultations and they should have the opportunity to participate in planning and implementing resettlement programs. Another major requirement of the International Policy is to take specific measures with regard to vulnerable groups. Gender issues should be considered during the consultations. This section covers the disclosure of the information and consultation arrangements, which are carried out in order to ensure that those affected persons are fully informed of their land acquisition and resettlement related permits and alternatives. In addition, affected population should be informed of their rights and terms of delivery of their complaints.

In order to inform the affected population, AGL's land acquisition team has organized meetings in all settlements in the impact zone (Information concerning the time and place of the meeting is given in Annex N3).

<sup>3</sup> Information on the meetings conducted in separate villages is given in Annex N3

<sup>4</sup> This is dates of completion except 4 land plots which are not registered yet, but are in process of registration

During the public meetings, communities were given leaflets prepared about resettlement, land acquisition and resettlement principles, institutional arrangements and procedures for submitting complaints.

In addition to the consultations with APs, consultations on land acquisition and resettlement have been conducted with stakeholders and below listed bodies:

- Municipal authorities;
- community leaders;
- Expert XXI;

Principles of the grievance redress mechanism have been explained to the beneficiaries:

- Their right of submitting complaints in writing and orally, during the consultation, research and compensation;
- Each complaint is registered, recorded and monitored until it is responded;
- Complaints will be processed and will be responded within a reasonable time;
- The main purpose of the complaints is to resolve complaints as much as possible without a court;
- Language, literacy and gender are not an obstacle for applicants. Filing a complaint is not related to unjustified expenses for applicants.

Public consultation on Didachara access road and Ghorjomi Bridge was held on September 29, 2015 at 12:00 in Khulo Municipality administration building. Members of local communities as well as representatives of municipal government attended the meeting. Details of the consultation are given in Annex 1 (Minutes of meeting on public hearing on Ghorjomi Bridge).

AGL tried to engage with affected landowners/users from the initial phase on land acquisition in a fair and transparent way. On December the 10th, 2014 AGL land team held an information meeting with the landowners/users affected by the construction of the Ghorjomi Bridge on the field. The Khulo land team officer informed the attendees about the project design, and contour (boundaries) of the road. (See Annex 1, minutes of meeting on Ghorjomi Bridge). Apart from meetings with land users on the field, consultations have been held in Khulo Public Information Center. Through establishing extensive communication, AGL avoided complaints, grievances and opposition from the community. AGL land and information officers liaise with communities constantly. No major grievance and/or claims have been recorded for the time being. But there were some queries raised by some land users, namely they requested AGL to purchase entire area as the remaining portion they considered to be useless otherwise they refused to sell their land plots. AGL purchased additional plots as requested though they were not needed for this project.

## **Annexes**



## Annex 1 – Examples of Minutes of Meetings with Landowners/Users

- Minutes of Meetings with Land Users on the Territory of Didachara Bypass

### Road Minutes of meeting

Meeting topic	
Meeting with land users of Didachara bypass road	10.12.2014
	11:30-13:00
	Didachara village
	REF #

Company	Attendees
Adjaristsqali Georgia LLC	<b>Vazha Bolkvadze (Land Officer)</b>
Adjaristsqali Georgia LLC	<b>Nino Abashidze (Assistant of the land officer)</b>
Principal of Didachara village school	<b>Ioseb Shavadze (School principal)</b>
Land users	<b>Nodar Shavadze, Aslan Shavadze, Murtaz Shavadze, Rostom Tsulukidze</b>

Point	Comments/notes of the meeting
<b>A</b>	<b>Vaja Bolkvadze (Land Officer):</b> Introduced the project area of the new bypass road and owners of this territory
<b>B</b>	<b>Rostom Tsulukidze (Elder member of Didachara):</b> welcomed to the mentioned project and said that this territory is in usage of four families. Representatives of these families also attended the meeting, who didn't express any complaints regarding the project. They unanimously stated that precise borders should have been established in order to prevent further misunderstanding
<b>C</b>	
<b>D</b>	

Point	Measures to be taken	Date	Responsible party

Prepared by: Nino

Abashidze Assistant of land  
officer



## Minutes of Meetings with Land users- Makhalakidzeebi

### Minutes of Meetings

Subject of meeting	
<b>Spoil ground extension issue in Makhalakidzeebi village</b>	23.02.2015
	11:00-12:00
	Makhalakidzeebi village
	REF #

Company	Attended by:
Shuakhevi municipality local government	Vakhtang Putkaradze (representative of the Governor in Oladauri Community)
Makhalakidzeebi village Governor	Giorgi Putkaradze
AGL	Avtandil Ivanadze (Land Officer)
AGL	Vazha Bolkvadze (Land Officer)

Item	Notes /Records of the Meeting
<b>A</b>	Local population was provided with explanation about the decision of the company on # 1 A spoil ground extension in Makhalakidzeebi village, i.e. it will be required to acquire 4500 m2 area in addition to the purchased lands. For this reason, it is necessary to identify the owners, to obtain their agreement on acquisition of indicated lands, solve issues related to signing agreement and compensation.

Item	Measures to be taken	Timeframe	Responsibility
<b>A</b>	Residents of Makhalakidzeebi village express their agreement to acquisition of indicated areas from land users by the company. It was agreed that on February 28 borders will be defined in-situ together with all land users.	February 28, 2015	Avtandil Ivanadze

## Minutes of Meetings with Land users- Didachara

### Minutes Meeting

Subject of the Meeting	
Meeting on drainage arrangement in Didachara village	02.08.2015
	14:00
	Didachara village
	REF #

Company	Attended by:
AGL	Jambul Tsulukidze (Officer on Social Affairs)
AGL	Vazha Bolkvadze (Land officer)
AGL	Lili Tsulukidze (Information officer)
Land users	Zaur Shavadze, Nodar Shavadze, Iasha Shavadze, Bezhan Shavadze

Item	Measures to be taken
A	The meeting with land users was held in Didachara village in relation with the drainage arrangement in the vicinity of Didachara bridge. After the meeting it became clear that land users want the company to purchase the drainage area by the company. Otherwise they are against the entrance the area and provision of any other works.
B	
C	
D	

Item	Measures to be taken	Timeframe	Responsibility
	As the discussion on the entrance the area did not yield a result, acquisition is required.		AGL

Prepared by: Lili Tsulukidze (Information Officer)

## Annex 2 List of affected households



Microsoft Excel  
97-2003 Worksheet

### Annex 3 Dates of Meeting with population

Meeting topic	Date	Village
Meeting in Village Makhalakidzebi about the new spoil area needed for the construction site. AGL started the identification of landowners	Mar 2014 Feb 2015	Makhalakidzebi
Meeting with Ghurta village about the spoil area, identification of landowners	Mar 2015	Ghurta
Meeting with Didachara residents about the Didachara access road and Ghorjomi bridge	Dec 2014	Didachara
Meeting with Didachara residents on arrangement of the drainage	Aug 2015	Didachara
Meeting with landowners of Ghurta and Didachara affected by the Access Road and the Spoil Area about the project activities, and livelihood restoration	Sep 2015	Didachara / Ghurta
Meeting with the Mayor of Shuakhevi about the Chirukhistsqali spoil area	Mar 2014	Mayor's office
Meeting with the Mayor of Khulo and other public officers about the new access road and the bridge in Didachara – informational meeting	Sep 2014	Mayor's office
Meeting with the landowner in Makhalakidzebi claiming to purchase the remaining land plot	Sep 2014	Mayor's office

Time of Meeting	Place of Meeting	Aim of Meeting	Attendees to the Meeting
06.01.2015- 20.01.2015	Didachara	Examination/inventory of land plots	Temur Shavadze
			Bidzina Shavadze
			Merab Shavadze
			Zaur Shavadze
			Nodar Shavadze
			Shalva Shavadze
			Aivaz Shavadze
			Dimitradze
			Ilia Shavadze

			Vazha Bolkvadze
25.01.2016-	Didachara	Presentation and signing of	Nodar Shavadze
26.01.2016	Batumi	Agreement	Aslan Shavadze
			Aivaz Shavadze
			Raindi Shavadze
			Bezhan Shavadze
			Merab Shavadze
			Murtaz Shavadze
			Givi Shavadze
			Shalva Shavadze
			Mzevinar
			Vazha Shavadze
			Merab Shavadze
			Davit Dimitradze
			Zebur Dimitradze
			Eldar Dimitradze
			Temur Dimitradze
			Vazha Bolkvadze
07.02.2015-	Didachara	Presentation and signing of	Emzar
10.02.2015		the agreement	Manuchar
			Ilia Shavadze
			Vazha Bolkvadze
25.03.2015-	Makhalakidze	Examination/inventory of	Nodar Mikeladze
28.03.2015	ee bi	land plots	Archil
			Giorgi Putkaradze
			Roman Putkaradze
			Ivane Mikeladze
			Avtandil Ivanadze
03.04.2015-	Makhalakidze	Presentation and signing of	Nodar Mikeladze
04.04.2015	ee bi	the agreement	Archil
			Giorgi Putkaradze
			Roman Putkaradze
			Ivane Mikeladze
			Avtandil Ivanadze
			Manuchar
			Murad Shavadze
			Vakhtang

20.07.2015- 26.07.2015	Didachar a- Batumi	Examination/inventory of land plots; Presentation and signing of the agreement	Davit Shavadze
			Bidzina Shavadze
			Yusuf Shavadze
			Khvicha Khozrevanidze
			Nodar Shavadze
			Aslan Shavadze
			Vazha Bolkvadze
29.07.2015- 30.07.2015	Ghurta- Paksadze ebi	Examination/inventory of land plots	Pridon Ghorjomeladze
			Levan Dekanadze
			Tengiz Ghorjomeladze
			Zurab Ghorjomeladze
			Mikheil Geladze
			Zaur Geladze
			Vazha Geladze
20.08.2015- 24.08.2015	Ghurta- Khulo	Presentation and signing of the agreement	Levan Dekanadze
			Tengiz Ghorjomeladze
			Zurab Ghorjomeladze
			Mikheil Geladze
			Levan Dekanadze
			Guram Khozrevanidze
			Zaur Geladze
			Vazha Bolkvadze

**Annex 4 Map of land plots affected by the Ghorjomi Bridge**  
(Ghorjomi Bridge and Didachara Access Road)

### Ghorjomi Bridge

