

Land Acquisition and Livelihood Restoration Completion Audit for the Shuakhevi Hydropower Project



Prepared for Adjaristsqali Georgia LLC
By Intersocial Limited-

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Acronyms and Abbreviations

ADB – Asian Development Bank

AGL – Adjaristsqali Georgia LLC

AH – Affected Households

AP – Affected Person

EBRD – European Bank of Reconstruction and Development

ESAP – Environmental and Social Action Plan

ESIA – Environmental and Social Impact Assessment

ESMP – Social Management Plan

IFC – International Finance Corporation

IFI – International Financial Institution

ha – Hectares

HH – Household

HPP – Hydro Power Plant

Intersocial – Inter-social Consulting Ltd.

km – Kilometers

LALRP – Land Acquisition and Livelihood Restoration Plan

LESC - Lenders environmental and social consultant

PAP – Project Affected Person

The Company – Adjaristsqali Georgia LLC

The Project – The Shuakhevi Hydropower Project

1. Introduction

Adjaristsqali Georgian LLC (AGL) commissioned Intersocial Limited (Ireland) to undertake the completion audit for land acquisition, compensation, livelihood restoration, and resettlement for the Shuakhevi Project, the Didachara Access Road, Ghorjomi Bridge, 35kV Skhalta-Shuakhevi Transmission Line, and other project components.

This report presents the findings of the audit.

1.1 Project Summary

The Shuakhevi Hydropower Project (“the Project”) is financed by International Financial Institutions (IFIs), including the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB).

In 2013, the Government of Georgia issued a construction permit for the Shuakhevi Scheme. The Project was constructed in Shuakhevi and Khulo municipalities with an overall installed capacity of 187 MW (comprising a 178 MW plant at Shuakhevi and a small 9.8 MW plant on the Skhalta River). The Shuakhevi scheme comprises two dams with reservoirs and one weir on the Adjaristsqali, Skhalta, and Chirukhistskali Rivers. The Hydro Power Plants (HPPs) are connected by three tunnels with a total length of 37 kilometres (km). The Skhalta HPP is connected to the Shuakhevi HPP by a 35kV Skhalta-Shuakhevi Transmission Line (which is also part of the overall Shuakhevi scheme). The Project started commercial operation in March 2020.

The map of the project area is presented in Figure 1.

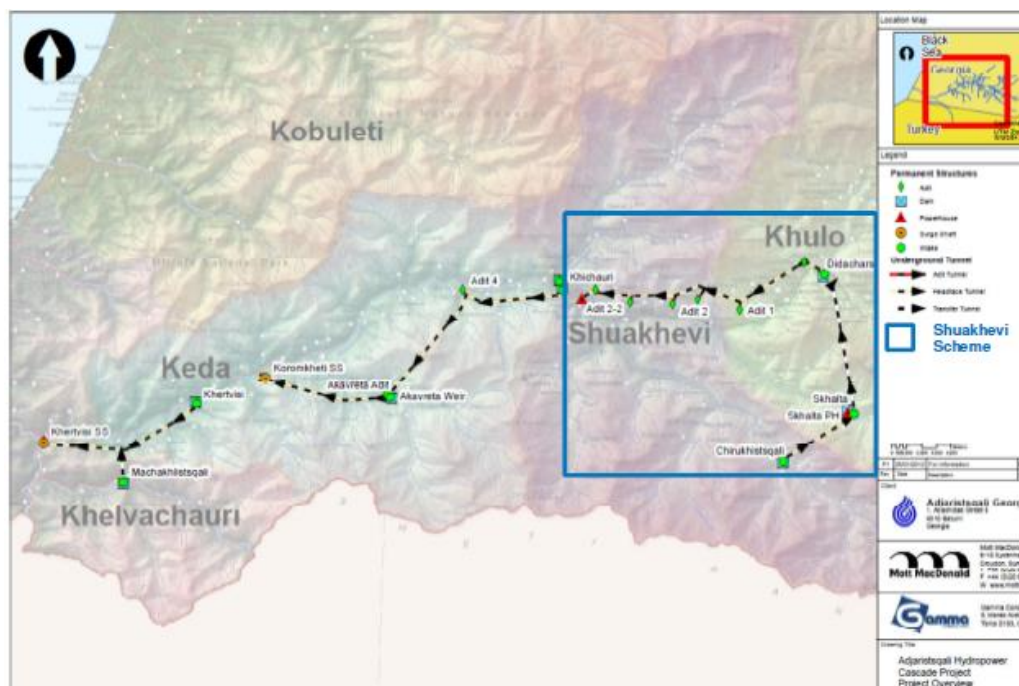


Figure 1 – Map of the Shuakhevi Project Infrastructure

During the feasibility study (2011-2012) the acquisition the land plots required for the project were identified. The Project was designed to avoid physical displacement and minimize economic displacement. During the detailed design stage, efforts were made to minimise the amount of land to be permanently acquired. The Project required: (i) temporary land acquisition for construction accommodation sites, construction workshops, etc.; and (ii) permanent land acquisition for reservoirs, reservoir buffer zones, powerhouse, surge shafts, tunnel adits, spoil disposal areas, etc. In the early stage of Project development, Adjaristsqali Georgia LLC (AGL) prepared a Land Acquisition and Livelihood Restoration Framework (LALRF) to guide the preparation of resettlement action plan and livelihood restoration plan. Using the LALRF, a Land Acquisition and Livelihood Restoration Plan (LALRP)¹ was prepared for the Project.

Implementation of LALRP commenced in 2013 but during a due diligence Mission in 2014 and before ADB Board approval of the Project, it was found that compensation was disbursed to a large majority of affected people, but some gaps existed. An audit of the LALRP implementation was undertaken and a Corrective Action Plan (CAP) was prepared in May 2014. In October 2014, a CAP Implementation Audit was undertaken and an updated LALRP was prepared. One of the actions in the CAP was the preparation of a Detailed Livelihood Restoration² Plan which was finalized in December 2014. A second CAP audit was undertaken to close out outstanding actions and the report was finalized and disclosed in January 2015.

All the Project construction-related activities were carried out after the paying of compensations. No impact on land was made prior to the compensation payment.

Other Project Components

Between July 2014 to November 2015, additional land parcels were acquired for the Didachara Access Road, Ghorjomi Bridge, and other project components. The Company undertook land acquisition without an Addendum LALRP and was asked by Lenders to prepare a Land Acquisition Completion Report which was audited by Arup, the lenders environmental and social consultant (LESC), in 2016. In total for the Shuakhevi Scheme, the Company acquired 160 ha of land affecting 275 households.

In February 2017, an Addendum LALRP was prepared for the construction of the 35kV Transmission Line which required 287 land plots affecting 221 households. In October 2019, a section of the Skhaltva-Shuakhevi 35 kV Overhead Transmission Line was realigned in Furtio Village and an annex to the Addendum LALRP was prepared.

In relation to the 35kV project, the contractor accessed land plots after signing the contracts prior to payment of compensations, however, all contracts were in place. Besides, the construction permit issued by local municipalities was conditional which allowed AGL to commence construction activities prior to the land registration. Even though the land parcels were accessed before payment of compensations, this has not impacted the owners.

1 http://agl.com.ge/new/wp-content/uploads/2019/10/AGL_LALRP_October_2014for-TL-Update.pdf

2 <http://agl.com.ge/new/wp-content/uploads/2019/08/AGL-DLRP-19-12-2014.pdf>

Project Staff

The land acquisition and livelihood restoration of the Shuakhevi Hydropower Project were carried out by the Land and Social Department, there were 16 people working in this Department: a Land and Social Director, a land manager, two land officers, three assistants to land officers, eight community liaison officers, and a CSR manager.

An audit company, Expert XXI was hired by the Project to carry out land valuations and collected socio-economic data, census survey. Institute for Sociological Studies and Analysis processed collected socio-economic data and developed socio-economic studies of all affected villages.

Following companies were hired by the Project to conduct agricultural trainings for the Project Affected Households: Biological organization “Elkana”, Georgian Business Development Center, and Association of Business Consulting Organizations of Georgia.

LALR Budget

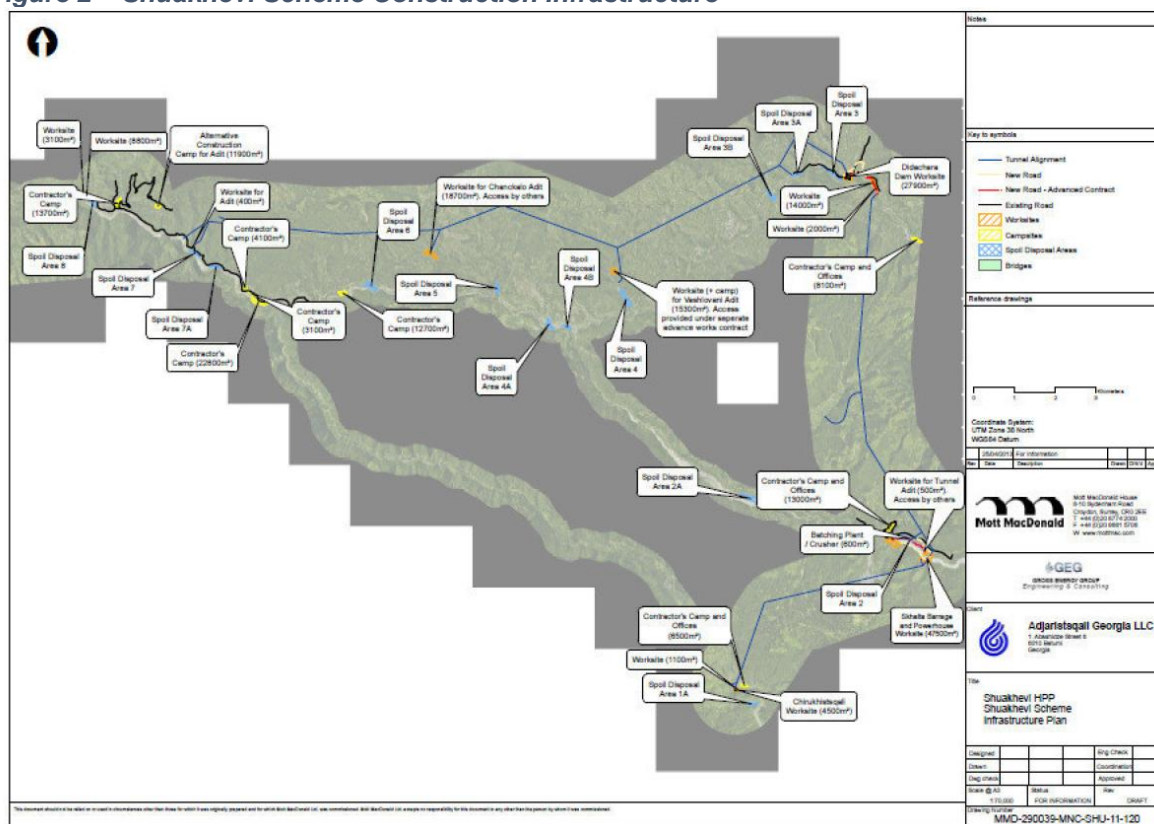
Total cost of land acquisition and livelihood restoration program made around 10ml USD. The total budget can be split the following way:

- Land acquisition: around 9,3ml USD
- Livelihood restoration: 150,000 USD

1.2 Land Acquisition and Livelihood Impacts

The overall construction map for the project indicating the location of the infrastructure is presented below.

Figure 2 – Shuakhevi Scheme Construction Infrastructure



Separate Land Acquisition and Livelihood Restoration Plans (LALRPs) were prepared for each of the key project infrastructure elements to identify the affected households and set out the compensation and livelihood support measures. The livelihood support measures were implemented by the project and the outcomes were subject to regular monitoring by the project social team and periodically reviewed by external monitoring. The external monitoring was done by lenders' E&S audit company ARUP. The Company was appointed on behalf of the Lenders to undertake monitoring of the E&S performance of the Project against the Applicable Standards³ during the project construction, re-construction and operations phases. Monitoring and reporting on the results of the monitoring were prepared on a monthly basis, quarterly, annually and when needed. For the livelihood restoration programs partner organizations were providing reports to AGL monthly as well as after completion of each planned activity.

The number of households identified in each of the LALRPs is presented in Table 1. The table also demonstrates that while approximately 20% of the households lost 10% or more of their land the approach of the project was to compensate for loss of all land and to provide livelihood support to any household that wished to participate.

³ The Applicable Standards comprise Lender policies (ADB Safeguard Policy Statement, 2009, Public Communications Policy 2011 and Social Protection Strategy 2001; EBRD's Environmental and Social Policy, 2008; and IFC's Performance Standards on E&S Sustainability and Access to Information Policy, 2012; The Environmental and Social Action Plan (ESAP) for construction; The Environmental and Social Impact Assessment (ESIA); Georgian laws; and international conventions.

There was no resettlement required as part of the land acquisition, however, three families, including one owner and two informal users, lived at building number 14, Tchavtchavadze Street in Shuakhevi previously used by the state organization “Kommshen” as offices. AGL did not acquire the building but for safety reasons provide support for the occupiers to voluntary move to more suitable accommodation.

Table 1 – Affected Households by Project Infrastructure and Scale of Impact

	Infrastructure	Total Affected HH	HH losing 10% or more of productive land	Land impact (Sq.m)	Land impact (ha)
1	Shuakhevi Project	275	72	14922444	149.22
2	The Didachara Access Road Ghorjomi Bridge and other project components	58 ⁵	40	87904	8.79
3	35kV Skhalta-Shuakhevi Transmission Line	221	0	787316	78.73
4	Furtio Realignment	16	0	34761	3.48
5	Kommsen	3	3		
	Total	515	115 (22%)	2402225	240.22

Socio-economic Context

The LARLPs set out the baseline socio-economic conditions of the affected people. In Adjara, the economy is mainly agricultural with production of citrus and grain, livestock farming, meat processing, tea production, production and processing of tobacco, and food production enterprises (fish and fruit canning factories). According to 2009 data, 53.4% of the Georgian population were employed in the agricultural sector. The main source of income for the Khulo Municipality population was production and trade of potatoes, while agricultural activity accounted for 80% of VAT in Shuakhevi Municipality. The situation in the region has not changed much since 2009, and the tendencies are kept the same. According to the Agricultural Strategy Document 2017-2020 of the Autonomous Republic of Adjara, 44.6% of the population in the region are rural inhabitants, and the vast majority of them are involved in agricultural production. The document states that agricultural production is a guarantee of income and welfare for the half of Adjara population.⁶

⁴ This area does not include affected area indicated in the second row.

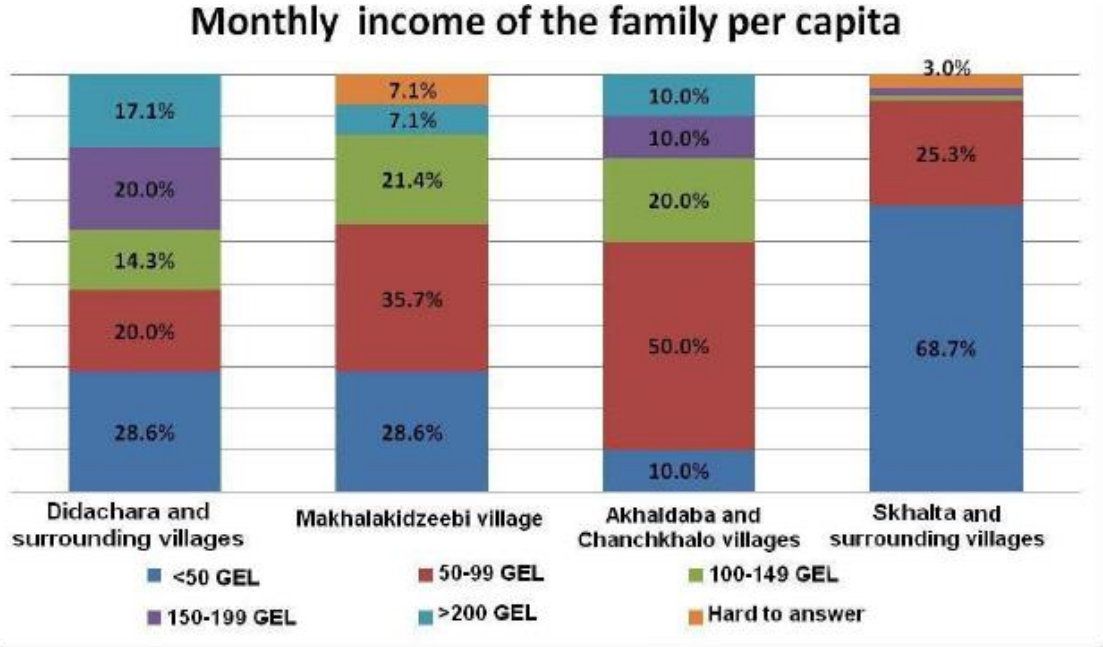
⁵ 58 AHs of Didachara Access Road Ghorjomi bridge are from the same 275 households affected by the Shuakhevi Project. It is impossible to differ them. Accordingly, their number is excluded from the total number of affected households at the final row of this table.

⁶ <http://www.adjara.gov.ge/uploads/Docs/644f050424b74b899c9e1709ff03.pdf?fbclid=IwAR1JCwS699fFjinQ-Pi0sJTmrllUfK6z1hjnYEUnRIU5gcl4zC6GarXJwGY>

During scoping consultations for the Project environmental and social impact assessment, many stakeholders mentioned that income from agricultural activities was insufficient, and people had to migrate from the region in search of temporary or permanent employment in order to support their families. When asked about employment status, 13% of the households participating in the socio-economic survey identified themselves as being employed, 39.75% said they were unemployed, 10%-19% identified themselves as housewives.

The main sources of income were reported to differ across the villages of Adjara. For example, in Didachara the main sources of the family income were agriculture, pensions and other social support. Similarly, pensions and other social support were identified as the main income source for families living in the villages of Akhaldaba and Chanchkhalo, and in Skhalta and its surrounding villages (from 50 to 56%). However, 57.1% of residents of the village of Makhalakidzeebi reported a permanently paid job as their main income source. At least half of the AHs surveyed per phase had a per capita monthly income of less than 100 GEL. Except for findings from Didachara, where the largest share of population which made 17% of AHs had an income of more than 200 GEL, while none AHs reported having more than 200 GEL income in Skhalta and surrounding villages. Generally AHs identified their income as being less than minimum wage per capita (or less than 110GEL). However, this generally did not include consumption of agricultural products that they produce on their own land which met a significant portion of the family’s needs.

Figure 3 – Monthly Income of Affected Households per Capita



Source: Institute for Sociological Studies and Analysis, 2013

Land use & Livelihoods

The LARLPs 2013 reported that in the mountainous Khulo Municipality, 16,000 acres of the alpine territory were used as summer grazing sites. Sixty per cent of Shuakhevi Municipality's total 58,000 acres was classified as a forest and 28% was agricultural lands. Due to the severe climate in Khulo municipality, agricultural activities included animal breeding, potato and tobacco production, fruit and vegetable cultivation, and beekeeping. A typical family in mountainous Adjara at that time had four or five cows and a few sheep or goats. Overpopulation of the mountainous areas meant that land was scarcely available. The local officials of Khulo and Shuakhevi municipalities reported that families in the area typically owned 0.25-0.75ha of land. Khulo and Shuakhevi municipalities are often at risk of natural hazards such as landslides and erosion which have been linked to seismic events and human activity such as over-farming, high density of water channels, and deforestation. Landslides and erosion in turn result in further loss of agricultural and pasture lands. During consultations on the Project, residents at Didachara village expressed concern over the potential for landslides with the planned locations of Project features. There was a significant landslide in 1982 in Didachara which covered the road and caused the temporary isolation of the village. The landslides issue was also raised at the ESIA scoping consultation meetings in Chvana and Zamleti Communities in Shuakhevi Municipality and by NGOs as concerns amongst the local communities and interested parties.

Most of the surveyed affected households (AHs) stated that their land was an important livelihood source despite some of it not being arable (the survey was conducted in 2013). In Didachara, only one-fifth of the AHs did not sell their harvest at all whereas 17% sold less than half, 23% sold half, and 40% sold more than half of their harvest. AHs who sold only a part of their harvest mostly sold it to traders who then re-sold it. Selling directly from farms or using an AH member to sell produce at the market directly to consumers was less practised.

The Ajara Agricultural and Rural Development Strategy⁷ has identified particular challenges facing rural territories in Georgia, among these are: structural weaknesses; low level of entrepreneurship and added value creation; a labour intensive and low-productive agriculture sector; low rates of export-oriented production; low level of investments in villages; low access to and availability of various services and outdated infrastructure; growing inequalities among the regions; high risks of poverty among the people and climate change stresses, insufficient environmental protection, which poses threat to rural areas and the entire country.

In Ajara AR the challenges faced are similar to some of those at national level. Additionally, it has specific challenges reflective of its geography and topography, communications and infrastructure, access to services and information, low levels of productivity of agriculture households and specifically the nature of its land structure of many smallholdings and their highly fragmented nature.

An increasing number of rural households have additional off farm sources of income from family or relatives and or from non-farm employment in the region, so in effect smallholder farming, while providing basic food supply for own household consumption and in some cases some for sale.

⁷ Source: Agriculture & Rural Development Strategy of Ajara Autonomous Republic of Georgia (2021-2027).

There are also low employment opportunities in the non-agricultural sector and a low level retention of youth and skills acquisition in rural areas.

1.5 Health Situation

The LARLP 2013 outlined the health situation in Georgia, where respiratory diseases and illnesses were one of the most common health problems for children. For the over 60s age group, common illnesses included cardio-vascular system and endocrine system problems such as diabetes or thyroid illnesses, as well as skin, larynx, and lung cancer. In response to severe flooding in Khulo in 2006, a programme to improve water and sanitation provision was launched in the municipality. It has provided access to potable water for 7,500 people and doubled the number of households connected to a water supply. Sewerage in Khulo Municipality was also improved which has led to a significant reduction in water-borne diseases. In 2005, out of 156 reported problems, 150 were before the intervention and only six occurred after the sewage upgrade. When surveyed, AHs were asked if any household members needed to visit a doctor; health clinic, or hospital but chose not to do so, during the last 12 months. Between 40% and 69.7% of respondents confirmed that this was the case for their households. The main reason identified for not seeking medical advice was the high treatment fees.

1.6 Education & Skills

In 2009/2010 there were 259 state schools in Adjara, i.e., more than in 2007/2008 but less than in 2005/2006. Between 2005 and 2010, there has also been a reduction in the number of privately financed educational establishments.

Table 2 illustrates that education levels in the areas affected by the Project vary, and in some cases differ significantly from those of Georgia (e.g., in Skhalta and surrounding villages and in Makhalakidzebi village).

Table 2 – Education Level of Affected People by Villages – The data represents percentage of population

	Illiterate	Basic Education	Incomplete Secondary	Secondary Education	Vocational Education	Incomplete Higher Education	Higher Education
Georgia	0.6	13.4		36.9	19.1	3.7	26.1
Project Area (n=234)							
Didachara and surrounding villages	1.5	2.2	6.6	58.8	8.1	2.2	20.6
Makhalakidzeebi village	7.3	14.5	17.4	44.9	5.8	4.3	5.8
Akhaldaba and Chanchkhalo villages	N/A	6.8	9.1	56.6	N/A	6.8	15.9
Skhaltia and surrounding villages	N/A	0.9	26.7	61.2	N/A	3.2	4.7

Source: Institute for Sociological Studies and Analysis, 2013

The socio-economic survey in Didachara identified 12 pre-school-aged children among the APs who in the past year had not attended pre-school education programs in institutions because there are no such facilities in the existing settlements. The total number of school-aged children in the surveyed AHs living in Didachara is 35, all of which are attending school. When asked to evaluate the quality of education, 94.5% of respondents stated that they were either ‘rather’ or ‘generally’ satisfied with the quality of secondary education, while the other 5.6 claimed to be ‘dissatisfied’.

Skills mapping for the Project began in October 2011. Local people interested in obtaining employment on the Project were encouraged to register their interest and current skill level. Between Oct 2011 and February 2012, 1,636 people registered in Khulo Municipality.

See details in Table 3.

Table 3 – Skill Levels of Affected Households 2011-2012

Municipality	Secondary Education			Higher Education			Total
	Construction	Support Service	Unskilled	Construction	Support Service	Other	
Khulo	693	348	308	56	68	163	1,636

Source: Gamma Consulting

Those with construction skills in the secondary education category included skills such as welding, carpentry, and stone masonry, while those with higher education included engineers. Those described as having ‘support service’ skills included cooks, drivers, healthcare workers in the secondary education category, and those with higher education in construction-related fields. There were a large number of ‘unskilled’ workers and ‘others’ with higher education in unrelated fields. Generally, people who already had skills that could be used on the Project made up approximately 60% of those who registered interest.

1.7 Poverty, Deprivation and Vulnerable Groups

Almost one-third (30.4%) or approximately 360 directly affected persons were assessed as living below the US\$ 2 a day poverty line and 13.4% were below the US\$ 1.25 a day poverty line between 2000 and 2007. According to local municipal authorities in the wider Project area, the average income per family was too low to cover all household needs. Those likely to be considered vulnerable because they have less ability to absorb negative impacts and changes caused by the Project included:

- Pensioners: There are five types of pensions provided by the state based on age, disabilities, victims of political repression during Soviet times, female-headed households/families that have lost their main “bread-winner”, and years of service.
- War veterans: according to “Human Rights Centre” in Adjara veterans of the war are not receiving any allowance as the benefits for veterans are not considered in the budget of regional municipality administrations.
- Poor families with incomes lower than the subsistence minimum.
- People affected by natural disasters, or in areas that are at risk of natural disasters.

In Adjara, when the LARLPs 2013 were prepared 16.2% of the population received a state pension. Of that total, 11.7% received it because of their age, and 3.6% received it because of disabilities. The AH survey confirmed the importance of pensions and State allowances. People, especially the elderly, the sick, and the disabled, were vulnerable to heavy snowfall, flooding from heavy rain and snowmelt, and isolation caused by flooding, snow, or landslides. Landslides damaged property, farmland, assets including livestock, and cause injury to people or at worst, loss of life. Reasons for not cultivating land included arable land plot distance, lack of finances, and small plot sizes. Households generally practised subsistence farming as there was not enough land to grow cash crops. Often the land owned by each household was insufficient to support the family that depended on it. Furthermore, those who were unemployed were vulnerable as they did not have a reliable regular source of cash income. Female-headed households were particularly vulnerable in the rural areas as women carry out a large share of farm work and processing work and can be put under additional pressure if male family members migrate in search of work. Poor households could not invest in their future and purchase assets such as transport or farm equipment which help to improve production.

The socio-economic survey conducted in 2013 looked at indicators of poverty and economic vulnerability. In terms of disposable income, between 50% and 71% of survey respondents stated that they suffered from money constraints and/or only had enough money to cover basic needs. The breakdown was as follows: 67.7% in Didachara; 71.4% in Makhakidzeebi village; 50% in Akhaldaba and Chanchkhalo; and 64% in Skhalta and its surrounding villages.

1.8 Measures to Bridge Gaps in Land Acquisition Policy

The LARLPs set out AGL’s approach to bridging the gaps between Georgian law and international standards. The key measures to bridge the gaps, which formed the policy of AGL in addressing Project land acquisition and resettlement, were set out in the AGL LALRP as follows:

- A LALRP was prepared for the project for permanent land acquisition;
- There was consultation with affected persons, socio-economic surveys, and consideration of vulnerability;
- Resettlement was avoided wherever possible and adverse impacts were be minimised first and mitigated second;
- The Project compensated people whether or not they were the formal owners if they had a legitimate claim to the land, structures, crops, or other assets;
- Options for compensation, such as land-for-land and full or partial cash compensation, were presented to APs wherever this was practical;
- Cash compensation was based on the replacement cost;
- The Project established a transparent and accessible grievance mechanism for APs to use throughout the land acquisition process;
- The Project provided training programmes for affected people so that they could access employment on the Project. AGL and its contractors hired several trainees and provided them with construction employment opportunities. Certification of proof of work undertaken on the Project was awarded so that APs could access jobs on future construction in projects in the region;
- For the Project, all AHs were considered to be vulnerable and were treated as such;
- The Project used a participatory approach in consultation with key stakeholders and APs regarding resettlement, to promote the better and timely implementation of land acquisition;
- Affected people, who were all considered vulnerable were included in consultation activities;
- Land acquisition and livelihood restoration documentation was publicly disclosed. This included the revised LALRP and ESCAR and the detailed Livelihood Restoration Plan which was disclosed on websites of international financial institutions (IFIs);
- Internal and external monitoring reports were disclosed on the IFI websites. Livelihood restoration and resettlement activities were monitored during Project implementation via internal monitoring and resettlement completion audits.

2. Audit Objectives and Methodology

2.1 Objectives of the Audit

The purpose of this audit for land acquisition, compensation, livelihood restoration, and resettlement for the Shuakhevi Project is to:

- Consolidate entitlements described in the LALRP, DLRP, and other Project’s resettlement documents with Lenders’ involuntary resettlement policies
 - 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)

- ADB's SPS (2009), Safeguard Requirement 2 - Involuntary Resettlement (ADB SR2)
- Verify whether requirements of the IFC PS5, EBRD PR5, and ADB's SPS, SR2, commitments made in the LALRP, DLRP, and requirements under the Environmental and Social Management Plan (ESMP), Environmental and Social Action Plan (ESAP) have been complied with by the Company.
- Assess whether livelihood restoration measures and social support provided by the Company ensured that the poor and vulnerable AH, including women, have had their standards of living improved to at least national minimum standards⁸ and for the rest of the AH to have at the minimum have their income and livelihoods restored to pre-project level, whichever is higher; from both a qualitative and quantitative perspective.
- Assess the effectiveness of the grievance mechanism and engagement with affected people, officials, community leaders, and other stakeholders – In case of gaps in implementation or noncompliance with the Project's documented commitments and lenders' policies, identify corrective actions.
- Propose time-bound actions (with budget) to achieve completion of the resettlement and livelihood restoration commitments.
- Provide a conclusion as to whether the internal monitoring process can be ended, and land acquisition and livelihood restoration activities can be declared completed.

AGL proposed two phases to the Completion Audit as follows:

- a. Scoping Phase as mutually agreed with the Company to get an aligned view of the context of the project and the Company's obligations;
- b. Completion Audit report write-up and submission.

2.1.1. Scoping phase

The scoping phase of the Completion Audit included the following tasks:

1. Review all documentation and reports provided by the Company, including:
 - a. Project documentation including the following:
 - Shuakhevi HPP Land Acquisition and Livelihood Restoration Plan (LALRP) (Mar 2014)⁹
 - Shuakhevi HPP LALRP Implementation Audit Report and CAP (May 2014)¹⁰
 - Updated Shuakhevi HPP LALRP (Oct 2014)¹¹
 - Detailed Livelihood Restoration Plan (Dec 2014)¹²
 - Shuakhevi HPP LALRP CAP Implementation Audit¹³

⁸ Relevant guidance on this topic may be obtained from ADB's Involuntary Resettlement Sourcebook para 74 - <https://www.adb.org/sites/default/files/institutional-document/32827/files/ir-good-practices-sourcebookdraft.pdf>

⁹ The Adjaristsqali Hydropower Project: Land Acquisition and Livelihood Restoration Plan (LALRP) is available from <https://www.adb.org/projects/documents/adjaristsqali-hydropower-project-rp>

¹⁰ The LALRP audit is available from <https://www.adb.org/projects/documents/adjaristsqali-hydropowerproject-lalrp-shuakhevi-scar>

¹¹ The updated LALRP for the Project is available from <https://www.adb.org/projects/documents/adjaristsqalihydropower-project-oct-2014-rp>

¹² The Detailed Livelihood Restoration Plan is available from <https://www.adb.org/sites/default/files/projectdocument/154082/47919-014-rp-02.pdf>

¹³ Available from <https://www.adb.org/sites/default/files/project-document/154088/47919-014-rp-04.pdf>

- Didachara Access Road and Additional Land Parcels Land Acquisition and Compensation Completion Report¹⁴
 - Didachara Access Road and Additional Land Parcels Land Acquisition and Compensation Audit Report (Sep 2016)¹⁵
 - Addendum LALRP Skhalta-Shuakhevi 35 kV Overhead Transmission Line (Feb 2017)¹⁶
 - Annexe to Addendum LALRP Skhalta-Shuakhevi 35 kV OTL Furtio Realignment (Oct 2019)¹⁷
 - Socio-economic reports
 - Socio-economic and census raw data
 - Semi-annual monitoring reports
 - Internal Monitoring Reports on Livelihood Restoration Projects, etc.
- b. Records of compensation payments and provision of entitlements to 100% of affected people following the approved LALRP, DLRP, Audit and CAPs, Addendum LALRPs and assess veracity/correctness of available proof of compensation/entitlements such as a receipt or any other document stating acceptance of compensation/entitlements by the representative of affected persons/households.
- c. Records of stakeholder engagement (information disclosure and consultation) activities with affected people and grievances regarding Land Acquisition and Livelihood Restoration activities.
2. In reference to the key indicators mentioned in LALRP/DLRP and other Project documents to check compliance of the actual performance of the project (e.g., the percentage of the AHs have improved or restored their livelihoods”).

2.1.2 Completion Audit Report Write-Up and Submission

In preparing the Completion Audit, Intersocial had three tasks:

1. confirm whether all affected people have been paid compensation for all their affected assets and provided with entitlements due to them as stated in the entitlement matrices in each of the applicable land acquisition documents; and
2. compare the pre-project and post-project situation, using both qualitative and quantitative surveys to determine whether the poor and vulnerable AH, including women, have had their standards of living improved to at least national minimum standards, and for the rest of the AH to have at the minimum have their income and livelihoods restored to pre-project level from both qualitative and quantitative perspective., whichever is higher.
3. any outstanding land acquisition and compensation issues, legacy issues, grievances, or non-compliances be identified, and the consultants recommend corrective actions to be implemented by the Company.

¹⁴ The Land Acquisition and Compensation Audit Report is available from

<https://www.adb.org/sites/default/files/project-document/198661/47919-014-scar-02.pdf>

¹⁵ Available from <https://www.adb.org/projects/documents/geo-adjaristsqali-hpp-didachara-ghorjomi-jul-2014-nov-2015-smr>

¹⁶ Skhalta-Shuakhevi 35 kV Overhead Transmission Line Project Addendum LALRP is available from <https://www.adb.org/projects/documents/geo-47919-014-rp>

¹⁷ Available from <https://www.adb.org/sites/default/files/project-documents/47919/47919-014-rp-en.pdf>

2.2 Audit Methodology

Apart from secondary data collected and analysed, the primary qualitative and quantitative data were collected from the major stakeholder groups of the project including the affected households, local government and project staff.

Data was disaggregated on relevant variables including gender, formal vs informal users and type of impact (e.g. households where land acquired permanently/ permanently affected; temporarily affected) etc. Feedback was collected from Affected People regarding the implementation process through focus group discussions, conversational open-ended interviews and other unstructured data gathering methods to supplement the findings from the survey.

Intersocial prepared a comprehensive database of affected people/households and assets and consolidated from all the land acquisition and resettlement planning documents and list of compensation payments and entitlements provided to affected people.

Intersocial established the following indicators for measuring the impact on economic displacement on the well-being and social-economic conditions of the affected households and the effectiveness of impact mitigation measures, including livelihood and income restoration initiatives against baseline conditions:

Qualitative indicators such as:

- quality of life and socio-economic conditions of the household.
- use of cash compensation and perceived impact of compensation on the household economy; etc.

Quantitative indicators such as:

- Income from different sources.
- Access to agricultural land, etc.

Intersocial also:

1. Determined if a) the objectives of the land acquisition and livelihood restoration had been attained; b) if the process had been conducted in compliance with Lenders Requirements; and c) assessed effectiveness, drawing lessons for future livelihood restoration planning.

2. Identified any outstanding land acquisition and compensation issues by reviewing court cases and grievance records to confirm whether all land acquisition and compensation-related grievances had been addressed following Lenders' requirements.

Out of 275 Affected households (AHs), 101 AHs were interviewed for the quantitative study to reach all the main project-affected villages. Not all AHs were available to interview as some had travelled to graze cattle in summer meadows. However, a statistically-significant sample of AHs was interviewed and the margin of error of the survey was in the 9-10% range. The AHs were selected first by the severity of the Project impact on them as well as by their vulnerability. All households were considered vulnerable and those AHs losing more than 50% of their land were considered to be severely impacted. During the visits to affected villages, all available AHs were interviewed as well. The quantitative survey was undertaken in villages impacted by the Shuakhevi project as well as the Didachara Access Road Ghorjomi Bridge and other project components. One affected household who was supported to find alternative accommodation due to the impact of 35kV Skhalta-Shuakhevi Transmission Line was also interviewed face-to-face

from this component of the Project. Table 4 below shows the distribution of the surveyed sample size by village, vulnerability and impact type.

A survey questionnaire was prepared for the quantitative indicators to collect information about living conditions of the households, livelihoods, general satisfaction levels, as well as their involvement during resettlement planning and implementation. The study instrument replicated some questions from the baseline studies to compare pre-and post-project conditions.

Table 4 – Interviewed AHs by the villages – Quantitative Survey

Project Affected Settlements	Number of AHs	Number of interviewed AHs for the quantitative survey			
		Less than 10%	10% or more	More than 50%	Total Number of interviewed AHs
Akhaldaba	18	4	3	3	10
Beselashvilebi	1	1			1
Chanchkhalo	19	5		1	6
Daba Shuakhevi	3			1	1
Diakonidzeebi	16	3	1		4
Didachara	84	20	9	2	31
Geladzeebi	2			1	1
Ghurta	7			3	3
Gorkhanauli	4		2		2
Iakobadzeebi	25	7	1	1	9
Kvatia	20	7	2		9
Makhalakidzeebi	26	2	5		7
Mosiashvilebi	1		1		1
Nigazeuli	9				
Okruashvilebi	1				
Paksadzeebi	7		3		3
Skhefi	6			2	2
Takidzeebi	8			1	1
Tsablana	13	3		4	7
Vashlovani	5	3			3
Total Number of AHs	275	55	27	19	101

A mixed-methods approach was used where the qualitative study methods covered the same three categories of project-affected households. Interviews were also conducted with local government officials to triangulate the information from the quantitative studies. Table 5 below represents the distribution of the focus groups and key person Interviews:

Table 5 – Focus Group Discussions and Key Informant Interviews with all Stakeholders

Respondents	Number of Focus Group Participants	Number of Key Person Interviews
Affected people in project villages (Chanchkhalo, Takidzeebi, Gorkhanauli, Daba Shuakhevi, Khichauri, Akhaldaba, Makhalakidzeebi (Shuakhevi Municipality), Kvatia, Diakonidzeebi, Didadachara, Gurta, Paksadzeebi, Tsablana (Khulo Municipality)	8-10	
Community Leaders		10
Government representatives		2
Project staff		3
Total Number of Study Participants	70	15

The focus group discussions were held in open spaces in affected villages in compliance with covid regulations and anyone in the village who represented an affected household was welcome to participate. Up to 10 people participated in each discussion. The selection of people to participate in the focus groups included gender criteria (as participation of women from AHs was too low in the study, a separate focus group of 10 women was undertaken by Intersocial).

The majority of participants in the focus group discussions were also interviewed individually for the surveys. 11 focus groups were held and more than 80 affected people took part. Men and women participated in all the focus groups. It was also decided to conduct one focus group with only female representatives of affected households and this took place with 12 women from Didachara.

The team was led by Intersocial’s international resettlement expert and coordinated by the Georgian compliance auditor coordinator and two female surveyors. The fieldwork took place at the end of July and the beginning of August 2021.

3. Study Results – Socio-Economic Assessment

3.1 Socio-Economic Conditions of Surveyed Affected Households – Comparison of Before and After Project Characteristics

In total, out of 101 interviewed Project Affected Households (AHs), 84 (83%) have improved their socio-economic situation based on the income reported by the families during interviews with the research team. According to the reported incomes in 2012, the average monthly income of the 84 interviewed AHs (who have improved economic situation since then) was 562 GEL per family compared to an average of 1226 GEL reported per AH in 2021. The rise of the income of these households was 54% on average was above the 32.31% inflation during this period representing a 22% increase in income. The economic situation of three out of 101 interviewed Project Affected

Households has not changed since 2012; three households refused to provide details of household income, while 11 AHs (11%) reported a lower monetary income in 2021 than they received before the project in 2012. The average reported income from these 11 AHs was 991 GEL in 2012, compared to only 602 GEL in 2021, which is 39% less than it used to be before the project. Please see table 6 below:

Table 6 – Income change of interviewed Ahs

Number of Affected Households Interviewed 2021	Type of family income change since 2012	Average Monetary Monthly Income of AHs before the Project in 2012	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2021 Number of AHs	Livelihood Benefit Number of AHs
84	Increase of income	562	1226	0	67
11	Decrease of Income	991	602	1	8
3	No change in income	950	1254	0	2
3	Income was not reported			0	3
101		617	1157	1	80

Nine out of eleven interviewed households who reported lower incomes since 2012 were involved in livelihood programs provided by the Project. Four members of those eleven households were employed during the construction period. Seven out of the eleven households reporting lower incomes have purchased apartments or houses (six out of seven purchased apartments in Batumi). In the case of two families, the situation has worsened due to the death of the household head. The livelihoods of none of these eleven AHs have worsened due to the Project activities. In fact, the conditions of seven households have improved compared to the total value of their possessions in 2012 as presented in Table 7.

Table 7 – Assessment of AHs who reported that their incomes were lowered during the completion audit

Removed for confidentiality reasons.

3.2 Incomes of Affected Households Severely-Affected and Significantly-Affected by the Project (loss of more than 50% of land and loss of 10% or more of land) – Comparison of Before and After the Project

Loss of more than 50%

In total, 19 AHs lost more than 50% of their property due to the Project activities and are considered severely affected. All of them were interviewed face-to-face during the audit process. Study results revealed that 16 severely affected households (84%) improved their socio-economic situation as their reported incomes in 2021 are much higher than in 2012. According to the study data, the average monthly income of these severely affected 16 households was 649 GEL in 2012, while it represents on average 1285 GEL in 2021. An increase in income of these households on average represents 50%, which considering the 32.31% inflation rate in the country, still represents an 18% income increase.

Three AHs (16%) out of the severely affected 19 households reported getting less income in 2021 than they used to receive before the Project in 2012. The average reported income of these three AHs was 1100 GEL in 2012, while it represents only 567 GEL in 2021, which is 48% less than it was before the Project.

One of these three AHs is also under the poverty line, meaning they get less money than the Subsistence Minimum of a household in the country according to the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>.

As study results show, the primary source of income for this AH under the poverty line is the state pension. The land purchased by the Project from the family was used for hayfield and production of some annual crops. The Project employed one family member during the construction period; however, nobody is employed in the family now. According to the respondent, the compensation was spent only on medical healthcare expenses. Further study of all three AHs with decreased incomes revealed that all three of them (including the AH under the poverty line) bought properties in Batumi after receiving compensation, and their property is a much higher value now than before the Project. All three of them had old property affected which was compensated at 4.3 USD per square meter of land (US\$43,000 per hectare) within the Shuakhevi Project area, while their property nowadays in Batumi is about 500 USD per square meter. They have primarily invested in real estate in Batumi so that the rent and family support can provide them with additional income given the challenges for elderly people to expand their agricultural production. The minimum monthly rent in Batumi during the summer season (US\$400) is higher than the subsistence minimum monthly income of the average AH in the project area (US\$110). All the three AHs rent out their properties in Batumi and they get income from that. During the COVID-19 Pandemic Period situation was worsened in terms of tourism, however it was only a temporary deterioration and in a long term the AHs have good source of income from their investment. The audit team have therefore concluded that the project's responsibilities have been fulfilled.

Please see table 8 below:

Table 8 – Economic Situation of Severely Impacted Households for the Project

Number of Affected Households >50%	Average Monetary Monthly Income of AHs before the Project in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2021 Number of AHs	Livelihood Benefit Number of AHs
16	649	856	1285	0	13
3	1100	1452	567	1	1
19	720	950	1172	1	14

Loss of 10% or more of land

During the audit process, 27 AHs losing 10% or more of their property due to the Project were interviewed face-to-face. Study results revealed that 21 out of those 27 significantly affected households (78%) improved their socio-economic situation as their reported incomes in 2021 are much higher than in 2012. According to the study data, the average monthly income of these significantly affected 21 households was 757 GEL in 2012, while it represented on average 1290 GEL in 2021. An increase in income of these households on average represents 41%, which considering the 32.31% inflation rate in the country, still represents a 9% income increase. Notwithstanding increased incomes, three out of these 21 AHs are still slightly under the poverty line, meaning they get less money than the Subsistence Minimum of a household in the country, according to the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>.

Four AHs out of these significantly affected 27 households reported getting less income in 2021 than they used to receive before the Project in 2012. The average reported income of these four AHs was 1050 GEL in 2012, while it represents only 693 GEL in 2021, which is 34% less than before the Project. Members of three out of these four households were employed by the Project and livelihood programs were provided to all four AHs. Two out of these four AHs purchased apartments in Batumi which is a long-term investment, and it is a good source of income too for the AHs as it was already mentioned above in case of severely-affected households. Conditions of none of these four families with named decreased incomes have worsened due to the Project. *Please see table N7.*

The incomes of one AH out of these significantly affected 27 households did not change considering the 32.31% inflation rate of the country, and one AH refused to name their incomes.

3.3 Incomes of Interviewed Vulnerable Households Identified by the Baseline Study – Comparison of Before and After Project Characteristics

36 of the affected households were identified as vulnerable by the Socio-Economic Baseline study conducted before the project¹⁸. All of them were interviewed face-to-face during the audit process. The study results show that 30 vulnerable households (83%) have improved their socio-economic situation as the reported incomes in 2021 is much higher than in 2012. According to the study data, the average monthly income of these vulnerable 30 households was 436 GEL in 2012, while it is 916 GEL in 2021. An increase in income of these households on average represents 52%, which considering the 32.31% inflation rate in the country, still represents a 20% of income increase. Based on study data, five AHs (14%) out of the vulnerable 36 households get less monetary income in 2021 than they used to receive before the Project in 2012. The average reported income of these five AHs made 1100 GEL in 2012, while it represents only 704 GEL on average in 2021, which is 36% less than it used to be before the Project. None of these five AHs is under the poverty line according to the reported incomes.

Further study of the vulnerable AHs with decreased incomes revealed that three of them bought properties in Batumi with compensation money, and their property value is much higher in 2012 than they had had before the Project. In particular, these three affected households had old property affected which was compensated at 4.3 USD per square meter of land (US\$43,000 per hectare) within the Shuakhevi Project area, while their property nowadays in Batumi is about 500 USD per square meter. They have primarily invested in real estate in Batumi so that the rent and family support can provide them with additional income given the challenges for elderly people to expand their agricultural production. The minimum monthly rent in Batumi during the summer season (US\$400) is higher than the subsistence minimum monthly income of the average AH in the project area (US\$110). All the three AHs rent out their properties in Batumi and they get income from that. During the COVID-19 Pandemic Period situation was worsened in terms of tourism, however it was only a temporary deterioration and in a long term the AHs have good source of income from their investment. The remaining two AHs were provided with livelihood restoration support and employment¹⁹ during the construction period; however, the death of the household head has worsened the family's economic situation. The Project impact on these two AHs was limited and did not represent a significant livelihood impact.

The economic situation of one affected vulnerable household has not changed, when the inflation rate is taken into account. Please see table 9 below:

¹⁸ All AHs were considered vulnerable. However, the baseline study identified some AHs were considered as considerably vulnerable. All such AHs were interviewed during the audit process.

¹⁹ According to the Qualitative study results, priority in employment was given to the most vulnerable community members during the Project construction phase. The Village councils created in some of the affected villages were selecting the most disadvantaged families for employment.

Table 9 – Economic Situation of Vulnerable AHs identified by the Baseline Survey

Number of Affected Vulnerable Households by Baseline Study	Average Monetary Monthly Income of AHs before the Project in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2021 Number of Ahs	Livelihood Benefit Number of Ahs
30	436	576	916	0	23
1	800	1056	1100	0	1
5	1100	1452	704	0	4
36	779	1028	907	0	28

3.4 Incomes of Interviewed Affected Households with Female Head – Comparison of Before and After Project Characteristics

15 affected households out of interviewed 101 were headed by the women. All of them were interviewed face-to-face during the audit process. The study results show that 13 female-headed households out of 15 (87%) have improved their socio-economic situation as the reported incomes in 2021 is higher than in 2012. According to the study data, the average monthly income of these 13 female-headed households was 327 GEL in 2012, while it is 698 GEL in 2021. An increase in income of these households on average represents 53%, which considering the 32.31% inflation rate in the country, still represents a 22% of income increase. Furthermore, three of those female-headed households with increased incomes used to be under the poverty line according to the reported incomes in 2012. Based on study data, two interviewed female-headed AHs out of 15 (13%) get less monetary income in 2021 than they used to receive before the Project in 2012. The average reported income of these two AHs made 500 GEL in 2012, while it represents only 325 GEL on average in 2021, which is 35% less than it used to be before the Project. None of these two female-headed AHs is under the poverty line according to the reported incomes.

Further study of the two female-headed households with decreased incomes revealed that one of them bought property in Batumi with compensation money, and their property value is much higher in 2012 than they had had before the Project (*see AH N95 in the table N7*). The remaining one affected household with female head was provided with livelihood restoration support and employment during the construction period; however, the death of the household head has worsened the family's economic situation (*see AH N84 in the table N7*). The Project impact on these two AHs was limited and did not represent a significant livelihood impact. Please see table 10 below:

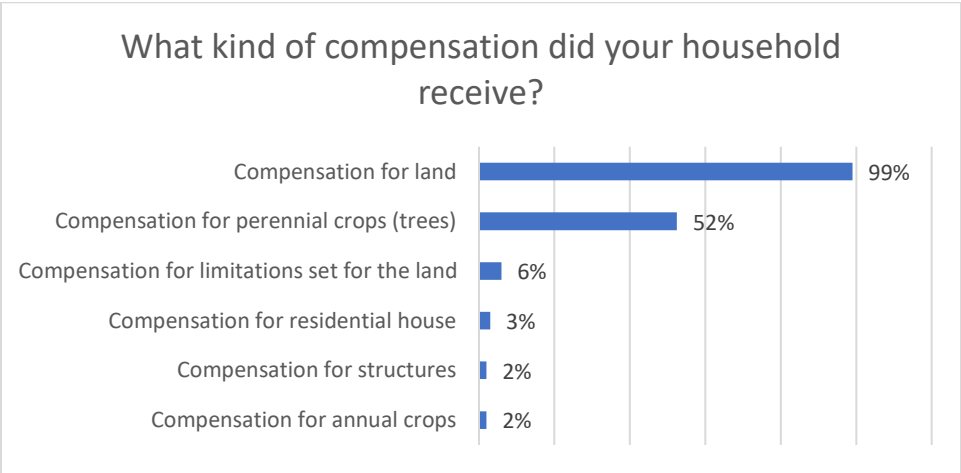
Table 10 – Economic Situation of Female-Headed AHs Before and After the Project

Number of Affected Female-Headed Ahs	Average Monetary Monthly Income of AHs before the Project in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2012 Number of Ahs	Under Poverty Line in 2021 Number of Ahs	Livelihood Benefit Number of Ahs
13	327	432	698	3	0	3
2	500	660	325	0	0	2
15	350	462	648	3	0	5

3.5. Compensation

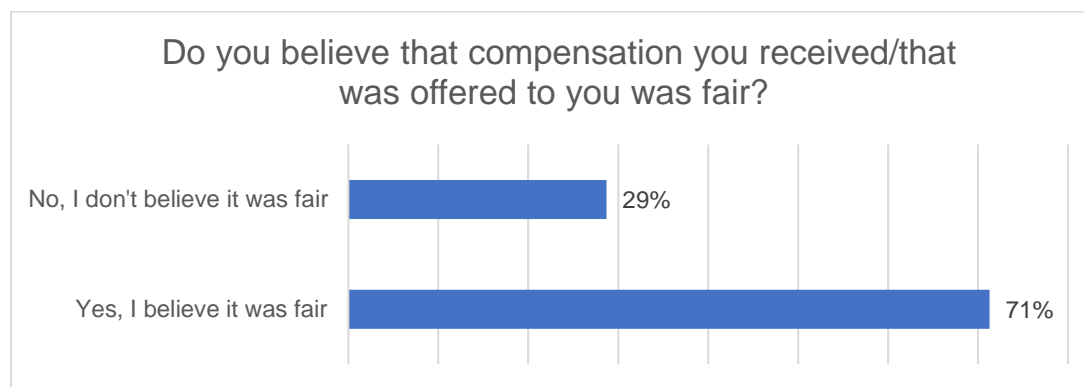
All interviewed AHs confirmed that they received compensation from the Project with the majority of them receiving compensation for land (99%), while half of them reported getting compensation for perennial crops (trees) too (52%). As shown in Figure 4 provided below, other types of compensation were limited.

Figure 4 – Types of Compensation (The total sample N= 101)



The majority of respondents (71%) assessed the received compensation as fair, while 29% were unhappy with the level of compensation. Please see figure 5 below. It should be noted here that all 15 interviewed Female-Headed affected households assessed received compensations as fair. All of them reported receiving compensations on land (15 AHs out of 15) and the most of them on perennial crops (trees) as well (11 AHs out of 15).

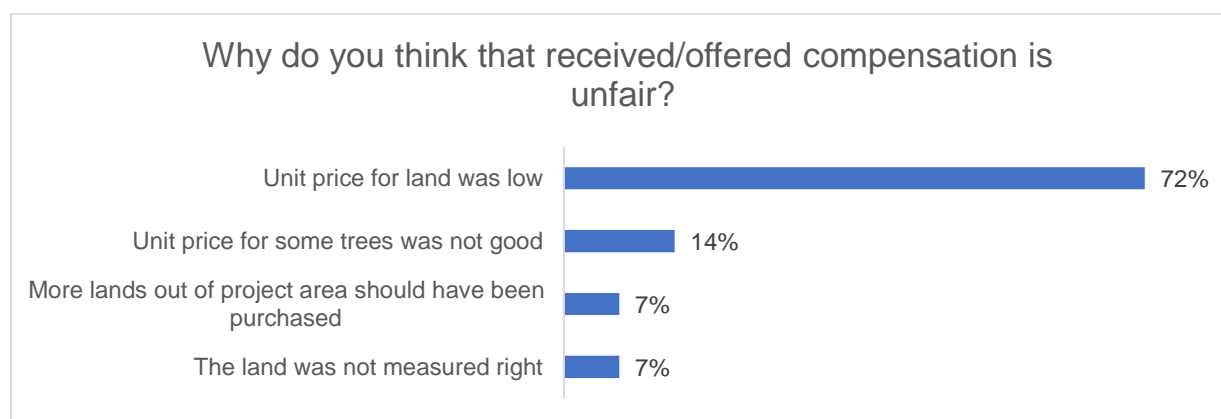
Figure 5 – Satisfaction with Received Compensation (The total sample N= 101)



The dissatisfaction of the respondents was primarily related to what they considered as the low rates on land (Please see Figure 6 below). However, in the scope of qualitative research, during Focus Group discussions and In-depth interviews, respondents clarified the position differently. Ten years earlier, when the Project started, the compensation amounts were acceptable for that time.

Furthermore, most respondents admitted that purchasing non-registered lands from them was goodwill shown by the Project. It should be noted here that most land plots purchased by the Project were not registered with users, and in most cases, they could not be registered due to the absence of required documentation.

Figure 6 – Reasons for Dissatisfaction (Data reflects responses of the respondents who expressed their dissatisfaction with received Compensation N= 29)



Disaggregation of the survey data by vulnerable AHs show that majority of interviewed vulnerable AHs assessed received compensations as fair (28 out of 36 AHs). All of them reported receiving compensations on land (36 AHs out of 36) and the most of them on perennial crops (trees) as well (23 AHs out of 36). It should be noted that every third interviewed vulnerable AH admitted purchasing a house or apartment on compensation money (12 out of 36 AHs).

3.6. Agreements and Inventory Lists

100% of the impacted households noted that they had received agreements where the compensation amounts had been explained in detail (please refer to Figure 7) and that they had received compensation by amounts indicated in the resettlement action plan (please refer to Figure 8).

In the scope of qualitative research, respondents also confirmed that the terms and conditions defined under the agreement had fully complied with, and they had no critical remarks in this regard.

Figure 7 – Received Agreements (The total sample N= 101)

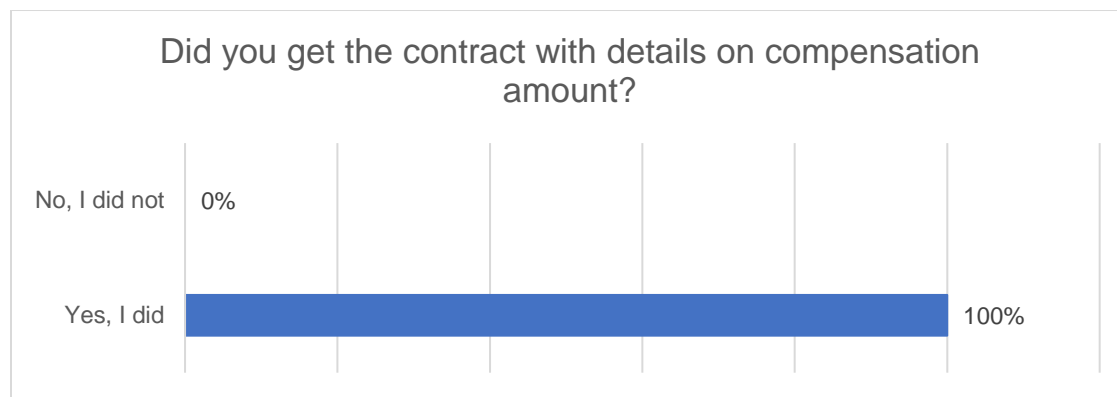
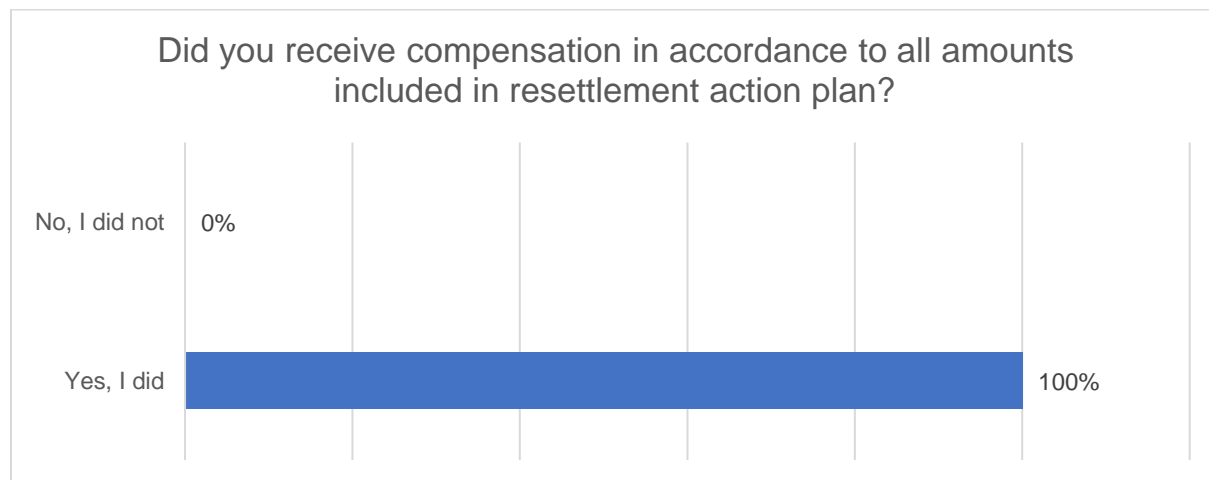


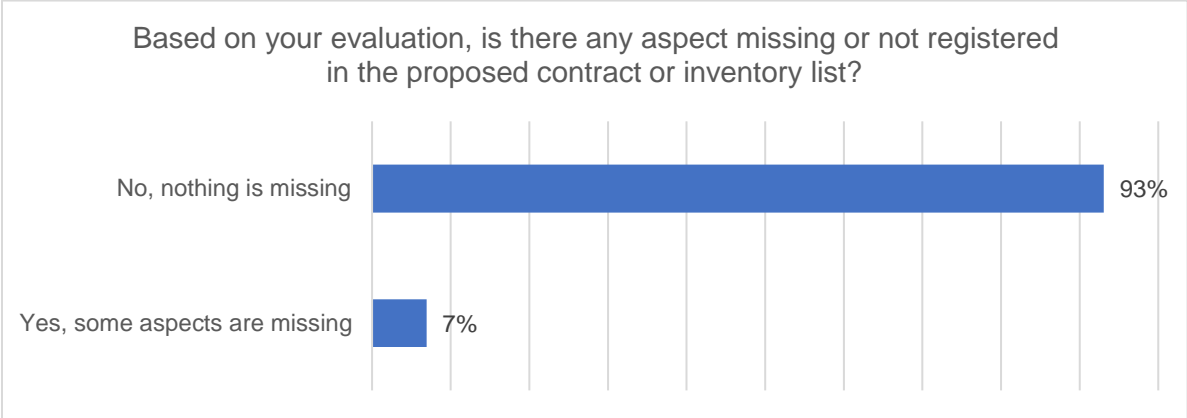
Figure 8 – Compliance of Received Compensation with Amounts Indicated in the Resettlement Action Plan (The total sample N= 101)



Almost all interviewed impacted households (97%) noted that they were satisfied with the inventory list and aspects offered under the agreement. According to their assessment, no item was missing in the inventory lists and agreements. Only seven respondents expressed dissatisfaction. Further study of these seven cases revealed that their dissatisfaction was caused

by land-related compensation and auxiliary facilities, annual/perennial crops-related compensation. The evaluator and AGL were satisfied that the compensation represented replacement value and all assets were properly compensated and these grievances were closed out. Please see Figure 9 below. Desegregation of the survey data by Female-Headed AHs revealed that all interviewed Female Heads of the AHs were satisfied with the inventory list and aspects offered under the agreement (15 AHs out of 15).

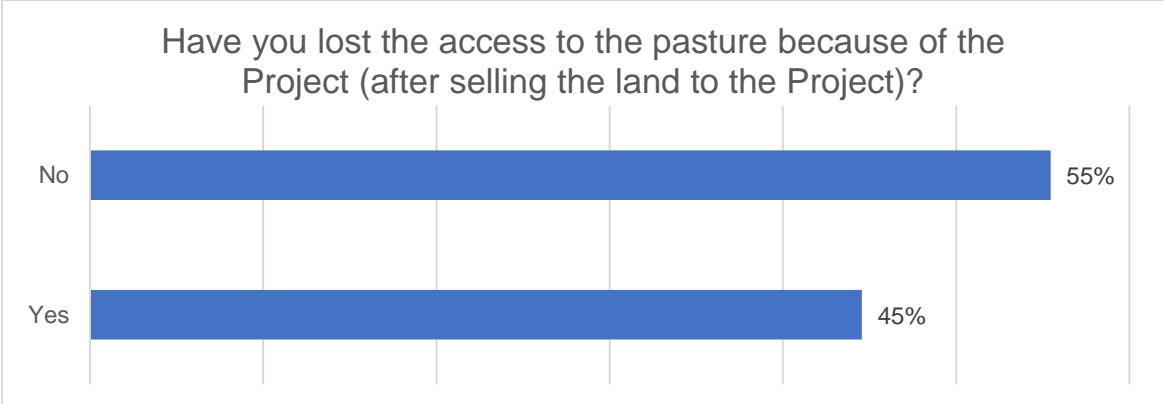
Figure 9 – Evaluation of Proposed Inventory Plan and Agreement (The total sample N= 101)



3.7. Access to Pasture

Considering the primary occupation of impacted households was animal husbandry, the Project’s impact on access to the pastures was also studied. Study results revealed that almost half of the surveyed AHs (45%) admit losing access to the pastures due to the Project. Please see Figure 10 below. The study results regarding pasture loss by Female-Headed affected households show that five out of 15 AHs reported losing access to the pastures due to the Project. However, all of them admitted getting access to alternative pastures and none of them lose domestic animals due to the Project.

Figure 10 – Access to the Pastures (the total sample N=101)



Most of the respondents who admitted losing access to the pastures due to the Project (60%) started using alternative pastures (please refer to Figure 11). The majority of Ahs (78%) who lost access to pastures also admitted switching to the remote/less convenient pastures they had not used before the Project (please refer to Figure 12).

Figure 11 – Accessibility of Alternative Pastures (Data reflects answers of the respondents, who noted that due to the project they have lost access to the pastures N=45)

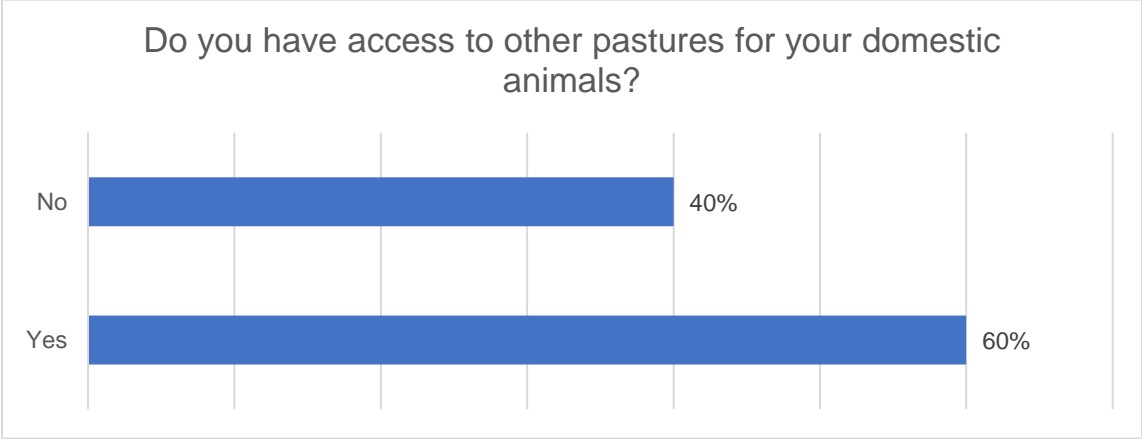
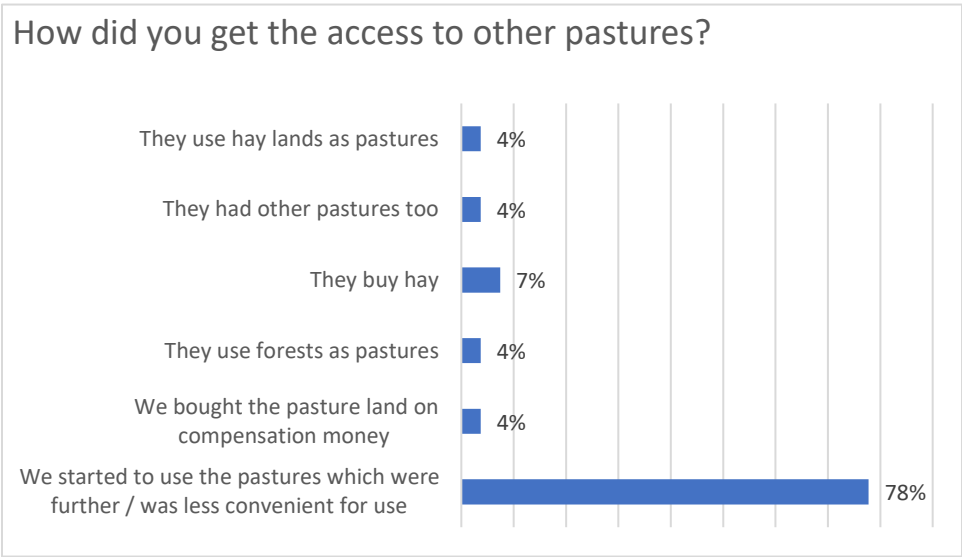
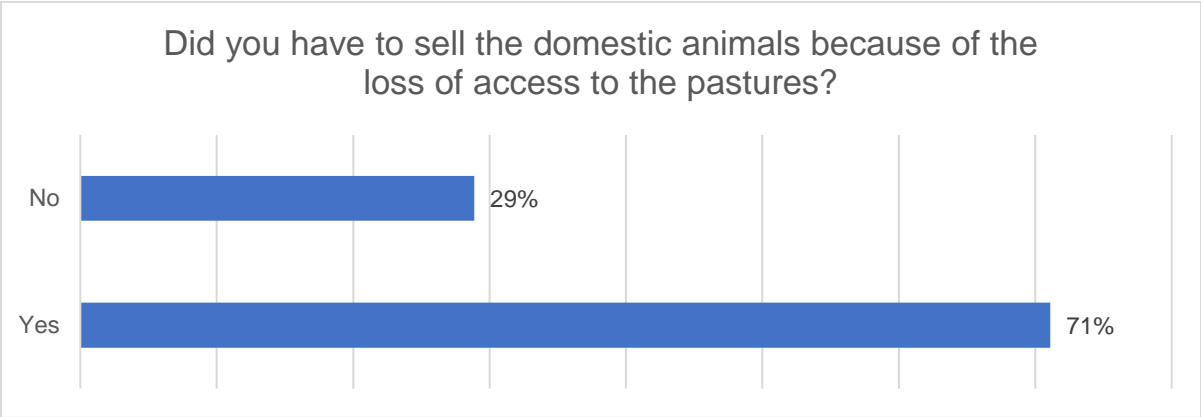


Figure 12 – How Did Respondents Gain Access to Alternative Pastures? (Data reflects answers of the respondents, who noted that due to the project they have lost access to the pastures N=45)



After losing access to the pastures, some respondents (31 respondents) have sold their cattle and replaced the animal husbandry with alternative occupations (please refer to Figure 13). It is also noteworthy that during the project active construction phase, a large majority of the local population was employed by the Project. Also, respondents were able to purchase property with the compensation received from the Project, and now they use such property for rent and gain income.

Figure 13 – Did the persons impacted by the project sell the domestic animals (Data reflects answers of the respondents, who noted that due to the project they have lost access to the pastures N=45)



The study results regarding pasture loss by vulnerable AHs show that a half of them reported losing access to the pastures due to the Project (19 out of 36 AHs). However, most of them admitted getting access to alternative pastures (11 out of 19 AHs).

3.8 Public Consultations and Stakeholder Engagement

73% of the survey participants attended public meetings at least once (please refer to Figure 14). The respondents received information regarding upcoming meetings via text messages or phone calls from project representatives or local government representatives (please refer to Figure 15). It should be noted here that out of interviewed 15 Female Heads of the households, more than a half attended the meetings personally (9 out of 15 Female-Headed AHs).

Figure 14 – Attendance of public meetings (The total sample N=101)

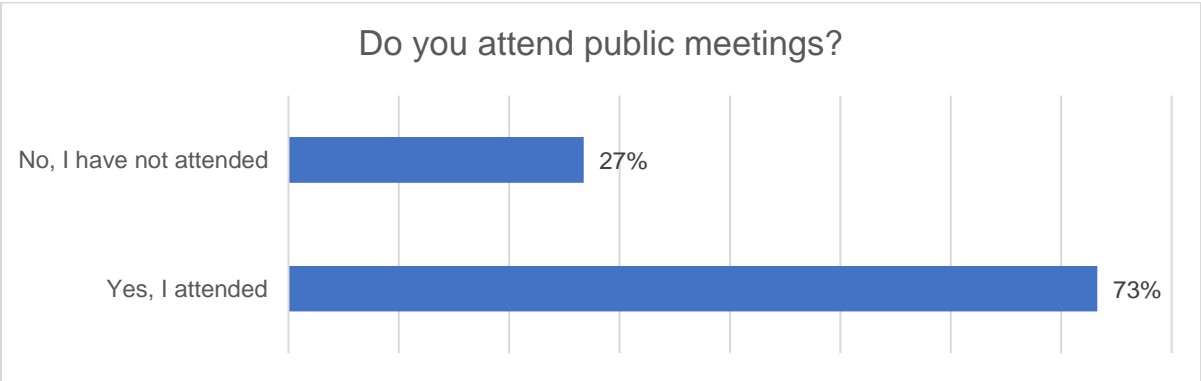
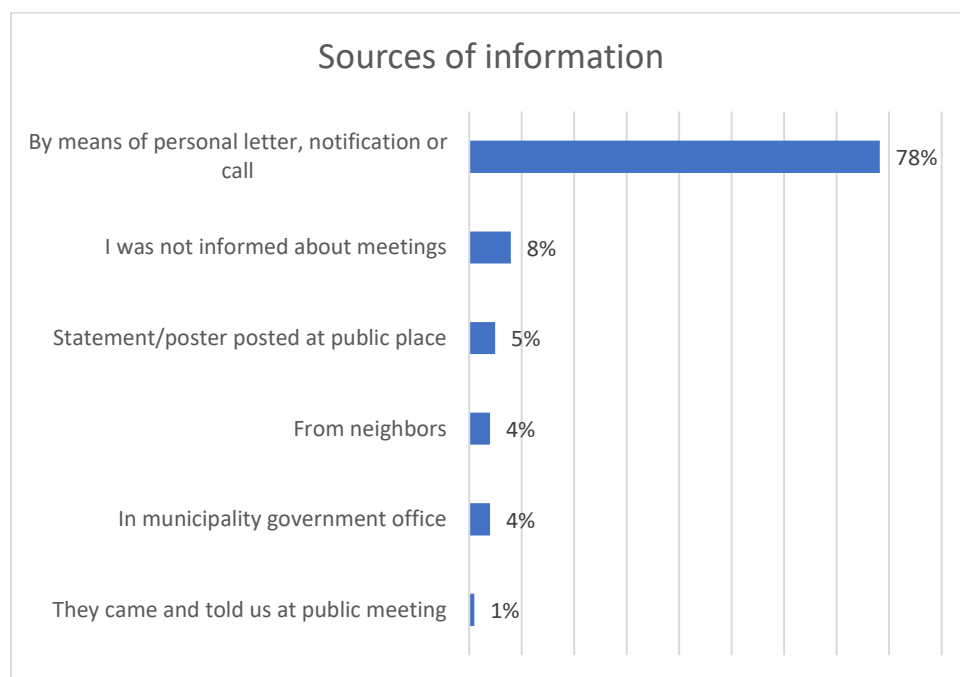
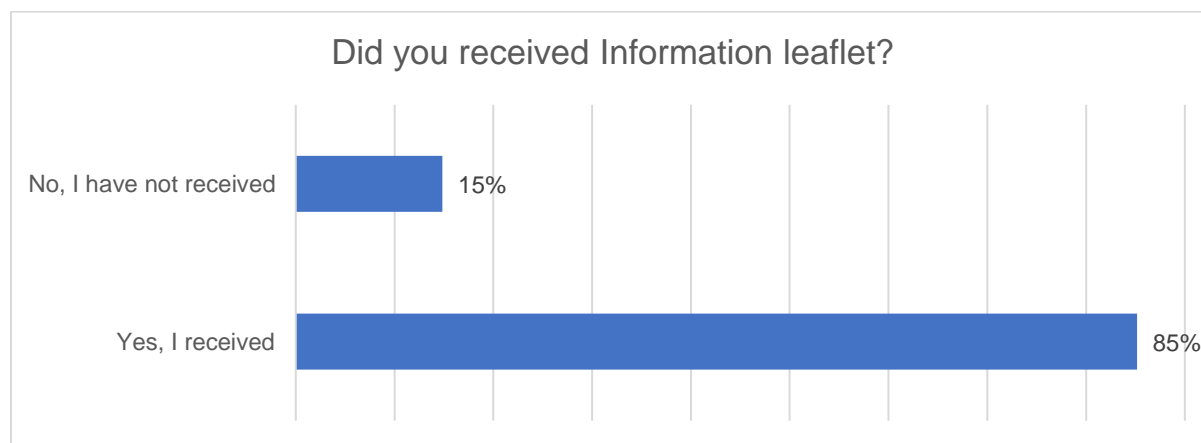


Figure 15 – Sources Of Information (The total sample N=101)



85% of the respondents admitted personally receiving information leaflets reflecting Project related information, resettlement policy, project impacts, compensation principles, and the grievance redress mechanism. The information leaflets were prepared in the Georgian language and were understandable to the respondents (Please see Figure 16).

Figure 16 – Information Leaflet (The total sample N=101)



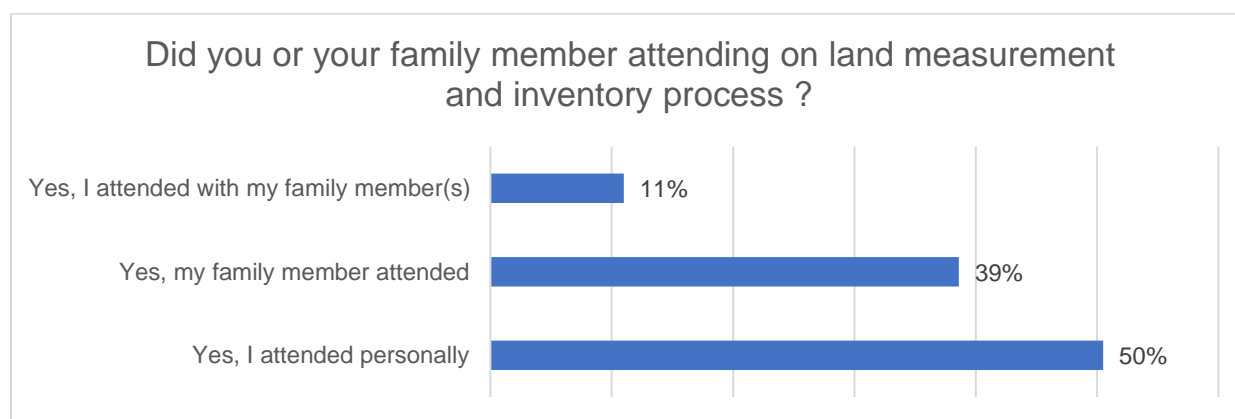
According to Qualitative study results public meetings were held as per the approved SEP, in particular at least on monthly basis in each affected village (17 affected villages). Besides, prior to planning CSR and livelihood activities, the Company undertook needs-based assessment survey and market research where all affected communities, and different stakeholder groups participated. Some minutes of meetings are still available in the archives of the Project and were studied during the audit process.

Qualitative study results also show that during engagement activities such as field works, compiling and negotiating entitlement packages, valuations, etc. all AHs were informed about their entitlements. It was communicated verbally. In addition, AGL prepared small leaflets describing land impact, entitlement matrix, grievance mechanism, etc., The leaflets were distributed among landowners/land users in all Project Affected communities.

3.9 Participation in Land Measurement and Inventory Process

The land measurement and inventory process were personally attended by more than a half of the survey respondents alone (50%) or with their family members (11%), while 39% noted that their trusted family members/relatives attended the land measurement and inventory process (*please refer to Figure 17*). It should be noted that only four Female Heads of the AHs attended measurement and inventory process personally (4 out of 15 AHs) by the results of the survey.

Figure 17 – Attending Land Measurement and Inventory Process (The total sample N=101)



The agreement copy was provided to the absolute majority, 99% of the respondents. Only one per cent could not recall if they were provided with the agreement copy. The majority of the respondents admitted reading agreements thoroughly (56%) or at least partially (39%) getting acquainted with the information provided under the agreement. At the same time, five respondents noted that they had not read the contract at all (*please refer to Figures 18 and 19*).

Figure 18 – Copy of the agreement (The total sample N=101)

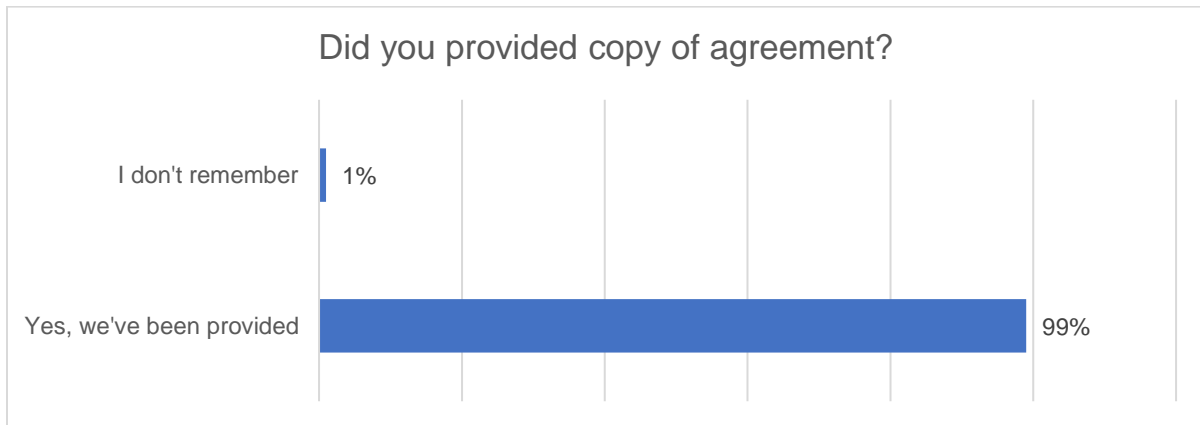
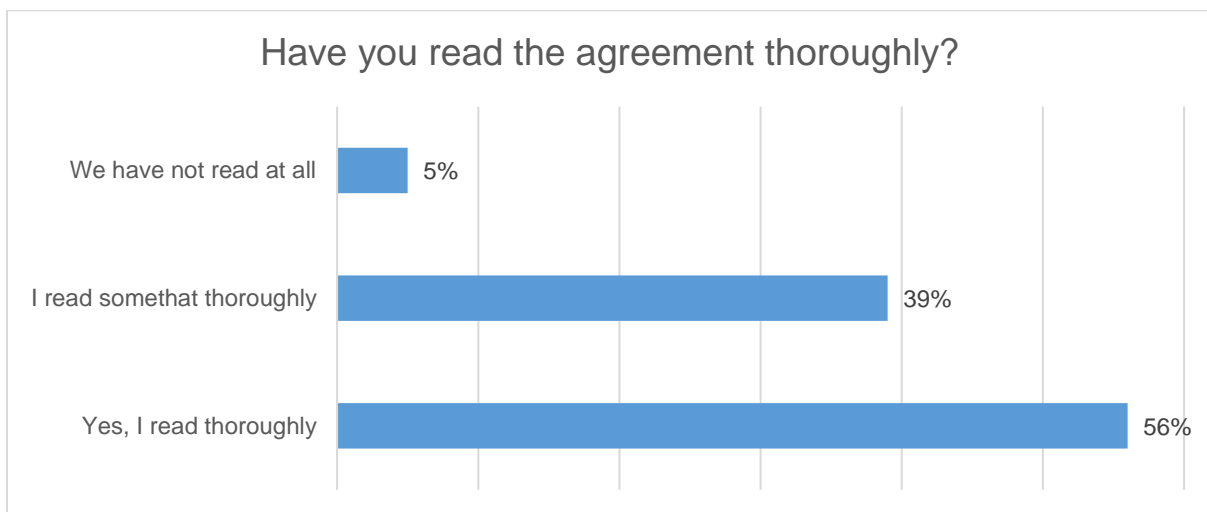


Figure 19 – Reading the agreements (Data reflects the answers of the respondents who noted, that they have received a copy of the agreement N=100)



Respondents noted that they had sufficient time to read through the agreement terms and conditions. 96% of respondents, who admitted receiving copies of the agreements, also confirmed getting compensation package details (*please refer to Figure 20*).

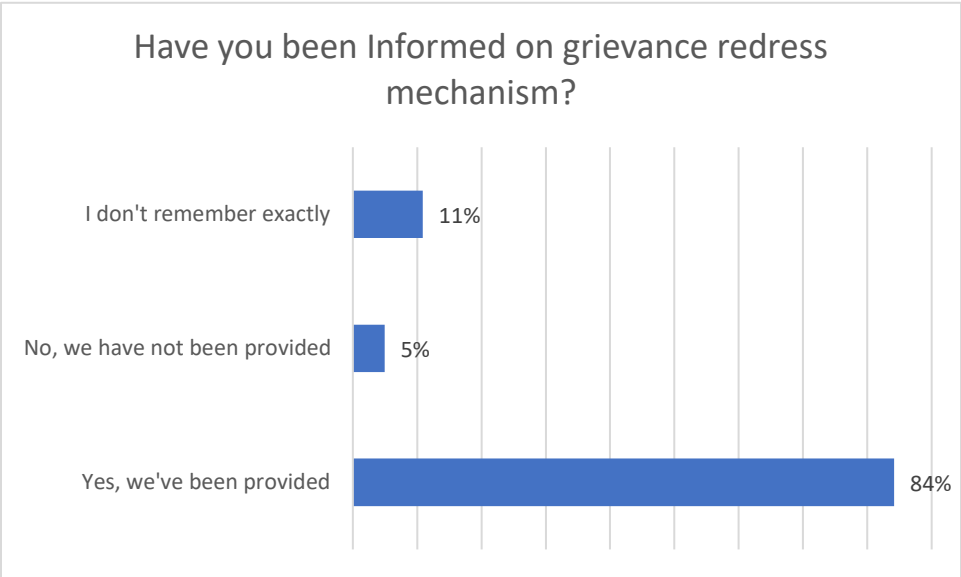
Figure 20 – Compensation Packages (Data reflects the answers of the respondents who noted, that they have received a copy of the agreement N=100)



3.10 Grievance Redress Mechanism

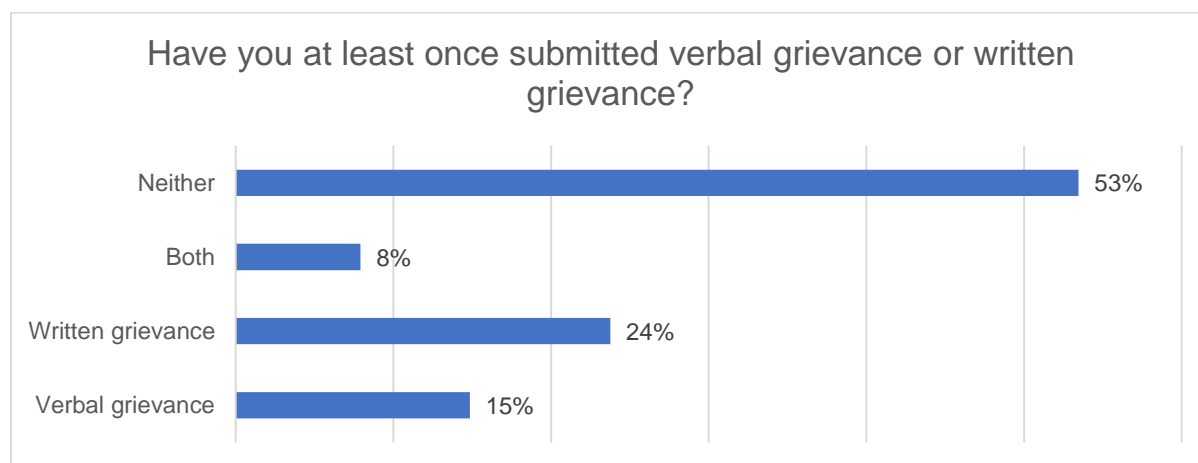
84% of the survey participants noted that they had received information on the grievance redress mechanism. However, 16% of the respondents could not recall receiving such information (*please refer to Figure 21*). Desegregation of the survey data by Female-Headed AHs revealed that all 15 interviewed Female Heads of the AHs had had information on the grievance redress mechanism, however only two of them submitted written grievances. According to these two Female Heads of the AHs their grievances were responded, processed and closed in their favour.

Figure 21 – Information on Grievance Redress Mechanism (The total sample N=101)



Total, 47% of the survey respondents confirmed using some forms of the grievances, written or verbal. Only eight per cent of them admitted using both forms of grievances (*please refer to Figure 22*).

Figure 22 – Using Grievance Redress Mechanism (The total sample N=101)



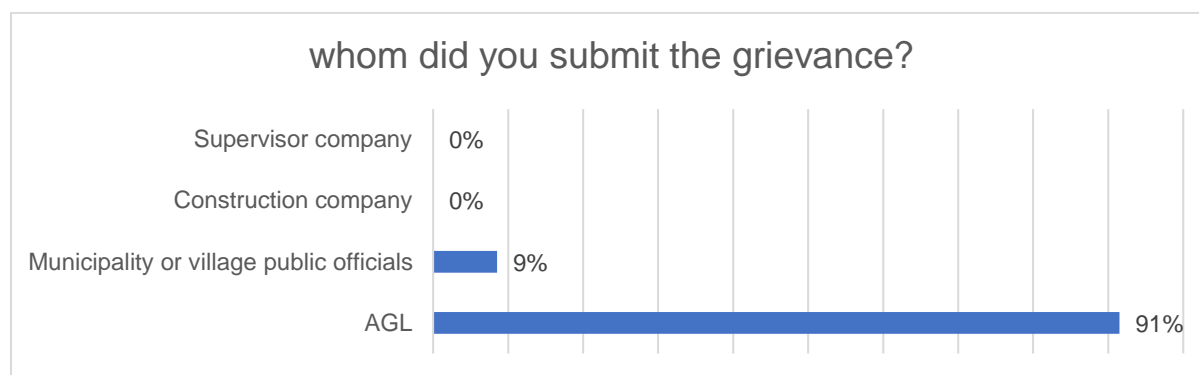
According to the respondents, their grievances were mainly related to dissatisfaction with the inventory process, tree unit prices and compensation for the houses damaged during the construction process and losing spring waters in the villages.

Figure 23 – Content of the Grievances (Data reflects answers of the respondents, who have used the grievance redress mechanism N=47)



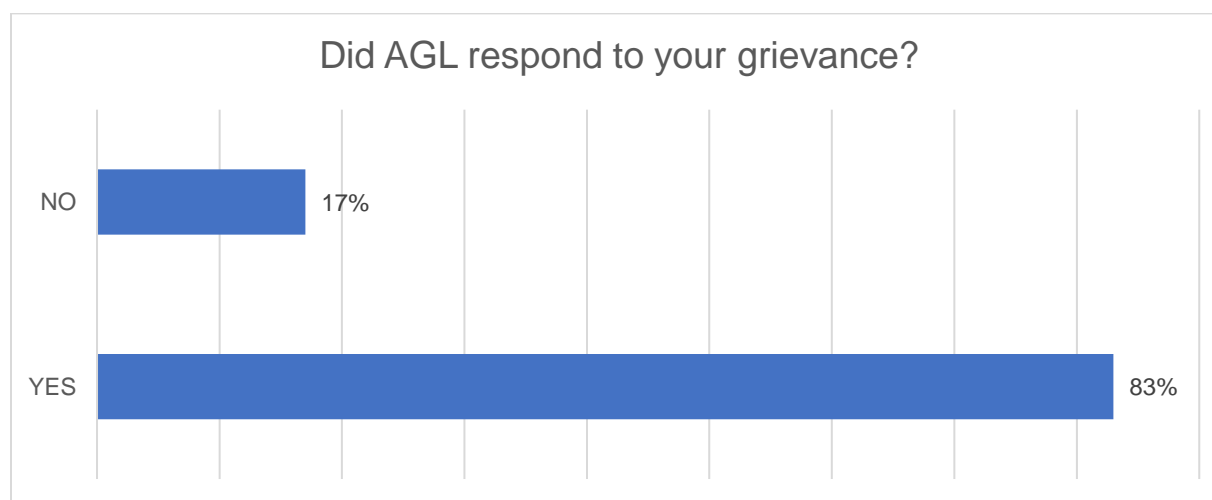
Most respondents who admitted sending grievances also noted that they referred them to the AGL. Only a few mentioned sending grievances to the municipality or local government (please refer to Figure 24).

Figure 24 – Grievance Recipient (Data reflects answers of the respondents, who have used the grievance redress mechanism N=47)



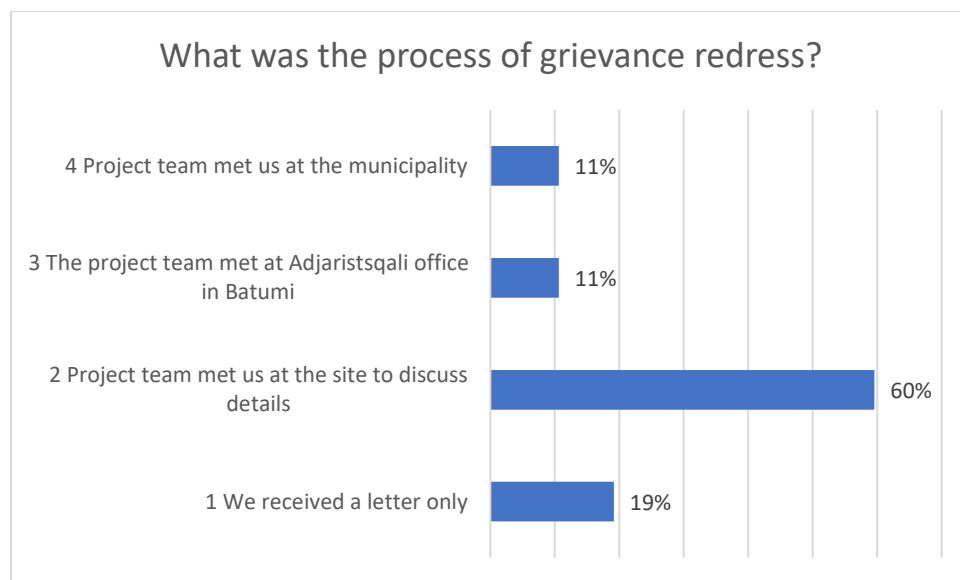
The majority of those respondents who submitted their grievance at least once noted that they received a response to their application (83%). Please see Figure 25 below.

Figure 25 – Grievance Respond (Data reflects answers of the respondents, who have used the grievance redress mechanism N=47)



During the grievance redress process, the project team met with the households in person to discuss details. Written responses and meetings at the Municipality and AGL Batumi office were relatively rare (please refer to Figure 26).

Figure 26 – Grievance Redress Location (Data reflects answers of the respondents, who have used the grievance redress mechanism N=47)



Desegregation of the survey data by vulnerable AHs revealed that almost all interviewed vulnerable AHs had had information on the grievance redress mechanism (33 out of 36). Only three vulnerable AHs could not recall it. Ten interviewed vulnerable households reported submission of the written grievances. According to these AHs their grievances were responded, processed and closed. However, only two out of ten grievances from vulnerable AHs were closed on their favour. Almost all of these grievances were requests for additional compensations.

According to the quantitative survey results, 29 interviewed AHs admitted resolution of grievances. In seven cases, decisions were made in favour of the applicants. Even though some AHs mentioned unsolved cases during the meetings, studying the Project grievance log showed that all grievances on land acquisition and house damage had been closed in previous years.

4. Gender Issues

4.1 Views of the Community on the Role of Women

Focus group discussions and in-depth interviews were conducted separately with female members of AHs to ensure women’s participation in the study. The study revealed that in general, women were passively involved in the inventory and land measurement-valuation processes. Furthermore, women were less interested in the agreements and rarely read them. The research studied the relatively passive role of women in the whole process. It was found that technical issues such as land measurement and inventory processes were considered to be male responsibilities and local women believed that men better understood such topics. The women interviewed noted that they trusted their male family members and believed that they were able to understand the land measurement and inventory processes. Regarding management of the funds received as compensation, it became clear that gender balance in this regard was maintained, and decision on spending compensation (for what and how much money was

supposed to be spent) was mainly made by women, and they discussed their decisions with male members of the family and based on the joint decision compensation money was finally spent.

In general, women from AHs participated in focus group discussions and In-depth interviews were satisfied by the support and consultations provided by the Project staff. They also expressed gratitude towards the Project for community programs, providing employment opportunities and livelihood restoration programs.

An analysis of the quantitative survey data revealed that in 2021 the reported average monthly income of female-headed AHs made 648 GEL, while reported average monthly income of male-headed AHs was 1246 GEL. Income of female-headed AHs was half compared to the income of male-headed AHs. However, none of interviewed female-headed AHs were under official poverty line in 2021 and the vast majority of them had improved their financial conditions (13 AHs out of 15). The decrease of income of the two female-headed AHs was mainly connected with old age as the main source of income of those households were pensions. In case of one of them one of the main reasons was death of the husband as well.

According to quantitative survey results female-headed AHs were satisfied with the compensation provided and the process of land acquisition and resolution of grievances.

4.2 Support Provided to Women by the Project

Regarding the women's empowerment activities carried out by the Project, according to the study results, the study team concluded that the Project had worked to strengthen the role of local women. When AGL carried out internal research, they applied their best efforts to have female respondents and requested female attendance at the information meetings even though it is hard to "make women go outside." The Project carried out information meetings with women in all affected villages where land acquisition was required: Gurta/lakobadzeebi, Didachara, Chanchkhalo, Makhalakidzeebi, Tsablanga, Pachkha (due to design change Pachkha was taken out), Kvatia, Akhaldaba. Meetings were also held on various topics, such as: employment, safety awareness, healthcare, etc.

Female beneficiaries were given priority in social, or business projects implemented by the Company. However, business projects submitted by female participants were limited in number. In total seven applications were received from female beneficiaries, and six projects were financed.

AGL was committed to engaging with various stakeholders, including women and vulnerable groups from the early stage of the project development. AGL commenced informational meetings during the scoping phase in June 2011 while the Georgian legislation did not require it, and it became part of the EIA permit only from 2018. These field meetings were conducted with mixed groups, including female residents. AGL also organized separate informational meetings with women in 2013 (before the commencement of active construction activities) and 2016 (discussion of general problems of women in the valley and social projects).

In order to strengthen women's involvement in decision-making and distribution of cash compensation paid by the Company, AGL ensured that spouses of compensation recipients were also informed about the amount and timing of Compensation paid to their households. Spouses attended the negotiation process and signed Acceptance-Delivery Acts (for receiving agreements) because they were fully informed and aware of the compensation amount.

AGL provided additional livelihood assistance measures to Female-Headed Households (FHHs) affected by constructing the 35kV Skhalta-Shuakhevi Transmission Line based on their individual needs. In total the Project provided additional livelihood assistance to six female-headed households.

The Company also implemented a wide range of awareness-raising programs targeting local women and strengthening their participation in CSR programs. In 2015-2017 AGL launched healthcare awareness meetings in Khulo and Shuakhevi municipalities intending to raise awareness on public health-related information; separate meetings were conducted only with women on breast cancer, contraception, and Abortion, Gender in Georgian Reality, HIV and Hepatitis, etc.

Healthcare training was carried out for 2 years in 10 villages impacted by the project.

Total attendance at the healthcare training was as follows:

- 96 Women – subject: breast cancer
- 92 Women - subject: abortion and contraception
- 25 Nurses in Khulo- subject: AIDS and Hepatitis
- 10 Nurses in Shuakhevi- subject: AIDS and Hepatitis

The majority of beneficiaries of the educational programs were local women. For example, in the English Language Pilot Program, which aimed to improve English level and increase local teachers' teaching skills, 34 women teachers participated, out of this 16 from Khulo and 18 teachers from Shuakhevi.

AGL prioritized female students while delivering the Students' Scholarship Program; out of totally financed 30 students, 19 were female.

5. Summary of Findings

5.1 Key Findings

Based on a comprehensive review of all documentation and direct engagement with affected households, the audit team has made the following key findings:

Compensation. ADB and other Lenders require that the Project: ADB and other Lenders require that the Project

- *Prompt replacement of assets with access to assets of equal or higher value... prompt compensation at full replacement cost for assets that cannot be restored (SR2.3).*
- *Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation (SR2.11)*

Intersocial found that AGL provided compensation at replacement value for land and crops to all of the affected households by the international standards of the EBRD, IFC and ADB.

For the Shuakhevi Project, two separate valuations were carried out to establish market value: one by government and one by a local independent realtor. The first land market valuation was undertaken in September 2011 by the National Forensics Bureau of Georgia, a government institution. The Bureau assessed land in the Project area to determine market value without deductions for taxes or transaction costs. The Bureau established an average unit cost per square meter of 2.5 USD for land within Shuakhevi area. AGL then hired an independent land assessment company in Batumi called Expert XXI Ltd to undertake a valuation in March 2012. The company used a sales comparison method as their approach because there was reliable information about transactions of three similar land plots in the Project area for the previous six to 18 months. The assessment took into consideration the land purpose, usage, market condition, location (proximity to urban infrastructure) and general characteristics (land quality, slope, etc). Their study identified an average price of 4.3 USD per square meter of land (US\$43,000 per hectare) within the Shuakhevi Project area, including forestry land. The Project committed to using the highest land value assessment of the two surveys as the basis for negotiations. Each plot to be purchased for the Project was then assessed by Expert XXI and evaluated against the three recent transactions to compare factors such as quality of land, slope and productivity so that a price per m² for that plot was identified.

All the Project construction-related activities were carried out after the paying of compensations. No impact on land was made prior to the compensation payment. In relation to the 35kV project, the contractor accessed land plots after signing the contracts prior to payment of compensations, however, all contracts were in place. Besides, the construction permit issued by local municipalities was conditional which allowed AGL to commence construction activities prior to the land registration. Even though the land parcels were accessed before payment of compensations, this has not impacted the owners.

Stakeholder Engagement & Grievances. ADB and other Lenders require that the Project

- *Inform all displaced persons of their entitlements and resettlement options (SR2.2).*
- *Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs (SR2.2).*
- *Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations (SR2.2)*

Intersocial found that AGL implemented an effective grievance mechanism that addressed the complaints of the affected households promptly and in the majority of cases a satisfactory agreement could be reached. Not all grievances could be resolved as some related to higher expectations of compensation for land and crops which AGL was unable to provide as this would have been outside the land acquisition policy and would have created higher expectations elsewhere.

The study results also show that during engagement activities such as field work, compiling and negotiating entitlement packages, valuations, etc. all AHs were informed about their entitlements. It was communicated verbally. In addition, AGL prepared small leaflets describing land impact, entitlement matrix, grievance mechanism, etc., The leaflets were distributed among landowners/land users in all Project Affected communities. According to the Qualitative study results public meetings were held as per the approved SEP, in particular at least on monthly basis in each affected village (17 affected villages). Prior to planning CSR and livelihood activities, the Company undertook a needs-based assessment survey and market research where all affected

communities and different stakeholder groups participated. Priority in employment was given to the most vulnerable community members during the Project construction phase. The Village councils created in some of the affected villages were selecting the most disadvantaged families for employment.

Livelihood restoration. ADB and other Lenders require that the Project

- *Improve, or at least restore, the livelihoods of all displaced persons (SR2.3).*
- *Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources (SR2.5).*

The trend in the project area, and most rural areas in Georgia, is for ongoing outmigration of youth to urban areas in search of employment. An increasing number of rural households have additional off farm sources of income from family or relatives working in Batumi. Farming in the project areas is challenging for the remaining elderly household heads given the fragmented nature of farms in difficult terrain and the use of upland summer pastures. Many of the AHs have therefore invested their land compensation in purchasing real estate in Batumi rather than investing it in agricultural livelihoods in rural areas given the limited availability of land for purchase and the lack of young people to support farming. The minimum monthly rent in Batumi during the summer season (US\$400) is higher than the subsistence minimum monthly income of the average AH in the project area (US\$170). The AHs have therefore invested in real estate in Batumi so that the rent and family support can provide them with additional income given the challenges for elderly people to expand their agricultural production.

The land acquisition and livelihood restoration of the Shuakhevi Hydropower Project were carried out by the Land and Social Department, there were 16 people working in this Department: a Land and Social Director, a land manager, two land officers, three assistants to land officers, eight community liaison officers, and a CSR manager.

An audit company, Expert XXI was hired by the Project to carry out land valuations and collected socio-economic data, census survey. Institute for Sociological Studies and Analysis processed collected socio-economic data and developed socio-economic studies of all affected villages.

The companies Biological organization “Elkana”, Georgian Business Development Center, and Association of Business Consulting Organizations of Georgia were hired by the Project to conduct agricultural trainings for the Project Affected Households

AGL addressed the loss of livelihoods through the following measures:

- The high rates of compensation for land enabled many households to purchase apartments in Batumi which represent an important asset and source of income for the families.
- AGL’s local training and employment programme was comprehensive and ensured very high employment rates during construction for the people from the impacted villages. The training and experience gained have helped some of the affected people to get employment on other projects.

- AGL provided livelihood supports that were tailored to agriculture which is the main livelihood in the affected villages. The training was provided on beekeeping, tree production and cattle rearing, and resources were provided including beehives, trees and cows. The majority of the affected households participated in the livelihood's activities. In line with experiences from other projects, the impact of livelihood supports depends on the suitability of the programmes offered and the capacity and commitment of the affected household to participate in the programme. Generally, livelihood supports have mixed outcomes and this was the case at Shuakhevi where the programme impacts had a limited impact on livelihood outcomes. The overall finding was that the affected households had restored their livelihoods through a combination of existing livelihoods and investments in properties in the tourism centre of Batumi. There were three households who reported lower income, and all of these will be included in a wider community investment program, such as women's empowerment, women's economic support activities, small business development. Etc. The project will also liaise with the local government to ensure that these households have access to information on additional government support measures for vulnerable households.
- AGL provided wider social supports to the affected villages including improvements to roads and bridges and water projects.

Assessment of Institutional Arrangements, Monitoring and Reporting

- *Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits (SR2.10).*
- *Implement the resettlement plan under close supervision throughout project implementation (SR2.11)*
- *Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports. (SR2.12)*

The Company adopted a holistic approach to the land acquisition process for the project going beyond compensating for direct impacts to invest in enabling measures, such as improvements to roads and bridges, to support the affected communities. The land acquisition process was undertaken with close supervision during project implementation with external monitoring undertaken by the lenders' E&S audit company ARUP. The Company was appointed on behalf of the Lenders to undertake monitoring of the E&S performance of the Project against the Applicable Standards during the project construction, re-construction and operations phases. Monitoring and reporting on the results of the monitoring were prepared on a monthly basis, quarterly, annually and when needed. For the livelihood restoration programs partner organizations were providing reports to AGL monthly as well as after completion of each planned activity. The project undertook external monitoring of the outcomes of the land acquisition process with oversight from the external auditors. This report represents the land acquisition and livelihoods close-out audit as required by international standards.

5.2 Comparison of Pre- & Post Socio-Economic Conditions of Affected Households

The paragraphs below provide a summary of the key changes in the socio-economic conditions of households affected by land acquisition. A more detailed, village-by-village analysis of the land acquisition impacts is presented in Annex 1.

In total, out of 101 interviewed Project Affected Households (AHs), 84 (83%) have improved their socio-economic situation based on the income reported by the families. In 2012, the average household income of these 84 interviewed AHs was 562 GEL per family compared to an average of 1226 GEL in 2021. The rise in income of these households on average was 54%, which despite the 32.31% inflation rate of the last years in the country, still represents a 22% increase in income. The economic situation of three out of 101 interviewed Project Affected Households has not changed since 2012. Three households refused to provide details on household income, while 11 AHs (11%) reported a lower monetary income in 2021 than they received before the project in 2012: they reported an average income of 991 GEL in 2012, compared to only 602 GEL in 2021, representing a 39% income loss. Please see table 11 below:

Table 11 – Income change of interviewed Ahs

Number of Affected Households Interviewed 2021	Type of family income change since 2012	Average Monetary Monthly Income of AHs before the Project in 2012	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2021 Number of AHs	Number of Households who participated in Livelihood programmes
84	Increase of income	562	1226	0	67
11	Decrease of Income	991	602	1	8
3	No change in income	950	1254	0	2
3	Income not reported			0	3
101		617	1157	1	80

Out of the 98 households that reported their incomes, 87 (88%) reported an increase or no change and 11 (11%) reported a decrease in income. Nine out of eleven interviewed households who reported lower incomes since 2012 were involved in livelihood programs provided by the Project. Four members of those eleven households were employed during the construction period. Seven out of the eleven households reporting lower incomes have purchased apartments or houses (six out of seven purchased apartments in Batumi) with the potential to provide additional income from renting. In the case of two families, the situation has worsened due to the death of the household head.

The majority of these 11 households (9 AHs) were involved in Livelihood Restoration Programs and seven of them purchased apartments/houses (mainly in Batumi). The Project had a significant impact only on three AHs out of the above-mentioned eleven and all the three AHs with significant impact and who reported decreased incomes purchased apartments / houses / extra land on with their compensation money. The triangulation of information in relation to reported income and ownership of assets that can provide rental income would indicate the affected households restored their livelihoods.

The audit team have therefore concluded that the project's responsibilities have been fulfilled in relation to people affected by the project.

5.3 Comparison of Pre- & Post Socio-Economic Conditions of Significantly Affected and Severely-Affected Households (losing 10% or more and >50% loss of land) Impacted by the Project

27 AHs losing 10% or more of their property by the Project (significantly affected households) were interviewed. According to the data, 23 of them had improved their income in 2021 compared to the data of 2012, while four AHs indicated lower incomes in 2021. Members of three out of these four households were employed by the Project and livelihood programs was provided to all four AHs. Two out of these four AHs purchased apartments in Batumi. Decreased incomes of the four families were not caused by the Project – the impacts on land acquisition were not significant and the Project had paid fair compensation, offered employment during construction and implemented other livelihood training program where they benefited.

The decrease in income of significantly as well as severely affected households was mainly due to the following reasons not related with the Project: (i) death of the two household heads who were the main breadwinners, (ii) loss of jobs during COVID-19 Pandemic; (iii) loss of rental opportunities during the COVID-19 Pandemic (for those that purchased properties in Batumi and hoped for high incomes); (iv) loss of income opportunities due to the old age. ---Please see table N7 for details.

In total, 19 AHs lost more than 50% of their property due to Project activities. All of them were interviewed face-to-face during the audit process. Study results revealed that 16 of these severely affected households (84%) improved their socio-economic situation as their reported incomes in 2021 were significantly higher than in 2012. According to the study data, the average monthly income of these 16 households was 1285 GEL in 2021 compared to 649 GEL in 2012. This represents an average 50% increase in income. Taking into account the 32.31% inflation rate in the country over the entire period, it represents an 18% real income increase.

Three out of 19 severely affected households (16%) reported less income in 2021 than before the Project in 2012. The average reported income of these three AHs was 1100 GEL in 2012 compared to only 567 GEL in 2021, representing an income loss of 48%.

One of these three AHs is also under the poverty line, meaning they get less money than the Subsistence Minimum of a household in the country according to the National Statistics Office of Georgia.²⁰ The primary source of income for this AH is the state pension. The land purchased by

²⁰ See: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

the Project from this family was used previously for the production of hay and some annual crops. The Project employed one family member during the construction period; however, nobody is employed in the family now. According to the respondent, the compensation was spent only on medical expenses. Further study of all three severely affected AHs with decreased incomes revealed that they bought apartments in Batumi after receiving compensation, providing them with an asset of a much higher value than they owned before the Project with the opportunity to generate additional income for the family. As mentioned above several reasons may be the cause of worsening incomes not related to the Project. The audit team have therefore concluded that the project's responsibilities have been fulfilled in relation to these 19 households.

Please see table 12 below:

Table 12 – Economic Situation of Severely Impacted Households for the Project

Number of Affected Households >50%	Average Monetary Monthly Income of AHs before the Project in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2021 Number of AHs	Number of Households who participated in Livelihood programmes
16	649	856	1285	0	13
3	1100	1452	567	1	1
19	720	950	1172	1	14

5.4 Comparison of Pre- & Post Socio-Economic Conditions of Vulnerable Affected Households

36 of the affected households were identified as vulnerable by the Socio-Economic Baseline study conducted before the project. All of them were interviewed face-to-face during the audit process. The study results show that 30 vulnerable households (83%) have improved their socio-economic situation as the reported incomes in 2021 are much higher than in 2012: 916 GEL in 2021 compared to 436 GEL in 2012. This represents an average increase in income of 52% before inflation. Considering the 32.31% inflation rate over 2012 - 2021, this still represents a 20% real income increase. Based on study data, five out of the vulnerable 36 households (14%) have less monetary income in 2021 than in 2012. The average reported income in 2012 of these five AHs was 1100 GEL compared to only 704 GEL on average in 2021, which is 36% less than it used to be before the Project. None of these five AHs is under the poverty line according to the reported incomes.

Further study of the vulnerable AHs with decreased incomes revealed that three of them bought properties in Batumi with compensation money, and their property value is much higher in 2021 than they had had before the Project with the potential to earn additional income. The remaining two AHs were provided with livelihood restoration support and employment during the construction period; however, the death of the household head has worsened the family's

economic situation. The Project impact on these two AHs was limited and did not represent a significant livelihood impact.

The economic situation of one affected vulnerable household has not changed, when the inflation rate is taken into account. Please see table 13 below:

Table 13 – Economic Situation of Vulnerable AHs identified by the Baseline Survey

Number of Affected Vulnerable Households by Baseline Study	Average Monetary Monthly Income of AHs before the Project in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AHs after the Project in 2021	Under Poverty Line in 2021 Number of AHs	Number of Households who participated in Livelihood programmes
30	436	576	916	0	23
1	800	1056	1100	0	1
5	1100	1452	704	0	4
36	779	1028	907	0	28

The audit team have therefore concluded that the project’s responsibilities have been fulfilled in relation to these 36 households.

6. Conclusions and Recommendations

The audit team can confirm that all the affected people were paid compensation for all their affected assets and provided with entitlements due to them as outlined in the project documents. The project established an effective grievance mechanism and ensured that both men and women could participate in project consultations activities to understand the project impacts and benefits.

The research conducted by the audit team has concluded that the majority (88%) of affected households have restored their livelihoods and standard of living to at least national minimum standards and in many cases above pre-project levels. The trend in the project area, and most rural areas in Georgia, is for ongoing outmigration of youth to urban areas in search of employment. An increasing number of rural households have additional off farm sources of income from family or relatives working in Batumi. Farming in the project areas is challenging for the remaining elderly household heads given the fragmented nature of farms in difficult terrain and the use of upland summer pastures. Many of the AHs have therefore invested their land compensation in purchasing real estate in Batumi rather than investing it in agricultural livelihoods in rural areas given the limited availability of land for purchase and the lack of young people to support farming. The minimum monthly rent in Batumi during the summer season (US\$400) is higher than the subsistence minimum monthly income of the average AH in the project area (US\$110). Most, if not all the AHs are renting out their properties in Batumi and getting income from that. The AHs have therefore invested in real estate in Batumi so that the rent and family

support can provide them with additional income given the challenges for elderly people to expand their agricultural production.

From the 11 households reporting lower income, 7 had purchased apartments or houses as an investment in an asset that can provide rental income. This rental income is seasonal, in particular during the summer season but it can be a source of income during the whole year too. There are a small number of affected households who continue to struggle with their standard of living for reasons beyond the control of the project including the death of two household heads. AGL is advised to continue to provide support to all AHs and affected communities but through its wider social programmes and to include all of the AHs with no property investment and worsened incomes in a wider community investment program, such as women empowerment (support local females' economic activities), SME development, etc.

The audit team can verify that the requirements of the IFC PS5, EBRD PR5 and ADB's SPS, SR2, commitments made in the LALRP, DLRP and requirements under the Environmental and Social Management Plan (ESMP), Environmental and Social Action Plan (ESAP) have been complied with by the Company.

The main recommendation of the audit team is that the land acquisition and livelihood restoration commitments should be closed, and that no further internal and external monitoring of the land acquisition process is required. AGL has an effective social team in place which has developed considerable capacity and strong relationships with the local communities. The audit team recommend that AGL continues to support the affected villages through its wider social programmes.

This conclusion is not related to the ~4km re-alignment of the 35 kV line (proposed for 2022).

7. Annex 1: Detailed Observations and Findings of the Audit for Each Village

This chapter outlines the audit process and findings in 17 out of the 19 villages impacted by the project (*the twentieth impacted settlement is Daba Shuakhevi which is the municipality centre and not the village and it is not described separately as only one household was impacted severely there who was also interviewed during the audit process and it revealed the significant improvement of the initial state*). Two villages Nigazauli and Okruashvilebi were not included in the audit report as the project impacts were very limited there.

7.1 Tsablana Village

Tsablana is one of the villages affected by the Project in Khulo municipality. According to the official statistics, there are 120 permanently residing households there, 659 residents living in the village. The Project acquired land plots in this area for the dam, reservoir, and camp.

Project Map and Photos before and after construction in Tsablana



7.1.1 Land Acquisition and Compensation

In total, 115,580 sq. m. were acquired from 13 families in Tsablana, 65,253 sq. m. of which have been restored to the initial state after the construction works, and these areas are available for public use. 115,580 sq. m. was purchased from 13 families, all the other villagers were given compensation for state lands of common use for residents of Tsablana, the total area of 206,165 sq. m. It should be noted here that 51,203 sq. m. of state, lands have also been restored for public use.

The background of the village was the following: On April 19, 1989, a landslide killed 23 people in the village, after which the area was considered not safe for living, and the whole village was

planned to be resettled. The resettlement was not possible because of the lack of resources, the collapse of the Soviet Union, and instability. The initial plan was to construct the block of apartments in Batumi and resettle the whole village there. As all the villagers had the same position and wanted to invest compensation money in the construction of the block of apartments in Batumi. In 2015, the Project provided money for communally used by the villagers to construct the accommodation. The state fund provided the area and the rest of the money required for construction. The block of apartments is finished in Batumi, and it is ready for 220 households to move to. In 2021, they were also given money from the state to refurbish the apartments, 5000 GEL for each family. So, besides the compensation given to 13 families, the whole village was partly financed for resettlement in Batumi by the Project. The villagers continue living in the village. The majority is asking to give them back lands temporarily acquired by the Project. Such lands rehabilitated to the initial state will be given back to the state. Usage of such lands will be possible by the local population (pastures, mowing, etc.). Tables 14 and 15 below show land areas by type and status (acquired by the Project permanently or only for temporary use to be rehabilitated back to productive land).

Table 14 – Acquired Lands from Private Owners/Users in Tsoablana by its type

Type of Land	Area m ²
River slope	39,883
Forest	3,461
Meadow	1,446
Arable	64,925
Grazing	5,865
TOTAL	115,580

Table 15 – Acquired Lands from Private Owners/Users in Tsoablana – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Skhalta camp Site	17,994	17,994		
Skhalta Lower stream and campsite	47,259	47,259		
Skhalta HPP	29,818		29,818	
Skhalta daily regulation reservoir	16,701		16,701	
Skhalta dam	3,808		3,808	
TOTAL	115,580	65,253	50,327	

As was mentioned above, 220 households were given apartments in Batumi from Tsalabana village; however, agreements on land purchase were completed only with 13 AHs there. 12 out of these 13 AHs were also given apartments in Batumi. Only two of them were identified as vulnerable by the Baseline study. Table 15 below presents the impact of the Project on these 16 AHs in Tsalabana:

Table 16 – Impacted Households in Tsalabana by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	2
Households impacted by less than 10%	9
Households impacted by 10% or more	0
Households impacted by more than 50%	4
Total Number of AHs	13

In total, seven out of those 13 impacted households in Tsalabana were interviewed for the study. According to the study results, none of the interviewed AHs in Tsalabana are under the poverty line, meaning they get more money than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>.

Two out of these seven AHs had less income than the official poverty line defined by the National Statistics Office of Georgia in 2012. Furthermore, according to the study, compared to the data of 2012, the incomes of all inquired seven households (including the two under the poverty line in 2012) reported improved incomes on average by 48%, which is higher than the official inflation rate of 32.31% in the country. The study results, on average, found that AHs reported earning 400 GEL per month in 2012 before the Project, while they reported getting on average 700 GEL per month in 2021.

Livelihoods of all affected households in Tsalabana village can be assessed as restored, considering the data recorded on all severely affected households and vulnerable ones. Besides, the property they own after the Project is of much higher value in Batumi as they used to own/use in 2012. More than half of the acquired land was also restored to the initial state and are available for public use for the benefit of local inhabitants. Table 17 below presents an assessment of Project impact on interviewed seven households in Tsalabana village:

Table 17 – Assessment of Interviewed Impacted Households in Tsoablana village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
57	450	594	1000	Increased Income				More than 50% impact - mowing, arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future.
58	150	198	500	Increased Income	Under Poverty Line			Less than 10% impact - pasture	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future. Besides, the impact was less than 10% on pastureland.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
60	500	660	1100	Increased Income				Less than 10% impact - Non-productive land	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future. Besides, the impact was less than 10% on non-productive land.
73	400	528	550	Increased Income				More than 50% impact - mowing, arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future.
74	350	462	490	Increased Income	Under Poverty Line			More than 50% impact - mowing, arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
75	500	660	1050	Increased Income				More than 50% impact - mowing, arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future.
100	450	594	700	Increased Income			Vulnerable	Less than 10% impact - Non-productive land	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project and they also got an apartment in Batumi which can provide additional income in the future. Besides, the impact was less than 10% on non-productive land.
AVERAGE	400	528	770							

7.1.2 Grievances

In total, the Project received 64 grievances from the residents of Tsablana. Most of the grievances were either on construction damage to their house or the loss of springs. Each case was studied separately. Some of the households were given additional compensation for the damage to the houses. The houses were assessed by state representatives, and the Project compensated the owners accordingly. The main reason for dissatisfaction in the village is the temporary lands used by the Project, which are being restored and will be given back to the state. All the villagers hope that such lands will be given back for their usage directly.

7.1.3 Livelihood Restoration

The Project team interviewed all affected households, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 13 AHs in Tsablana whose land plots were acquired individually were offered the livelihood support of their choice. 11 out of 13 households attended training on beekeeping and were given beehives. One household attended the training on hazelnut production and was given hazelnut saplings. One more household that selected cattle breeding did not attend the training.

All the apartments in Batumi for the AHs from Tsablana are fully paid for. The AHs use the apartments either for rent or as accommodation for their children studying-working in Batumi. They AHs were reluctant to name the income they receive from renting the apartments or support from their children.

7.1.4 Employment and Other Benefits of the Project

During the construction period, 120 people, at least one adult member from each local household, was employed by the Project. Furthermore, 64 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Tsablana:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language preparation course for the university examination;*
- ✓ *Educational pilot project;*

One small business grant was given to the one affected household in the village to open the local bakery. In total, the Project spent 60,753 GEL on the following social and community projects implemented in Tsablana to support the livelihoods there:

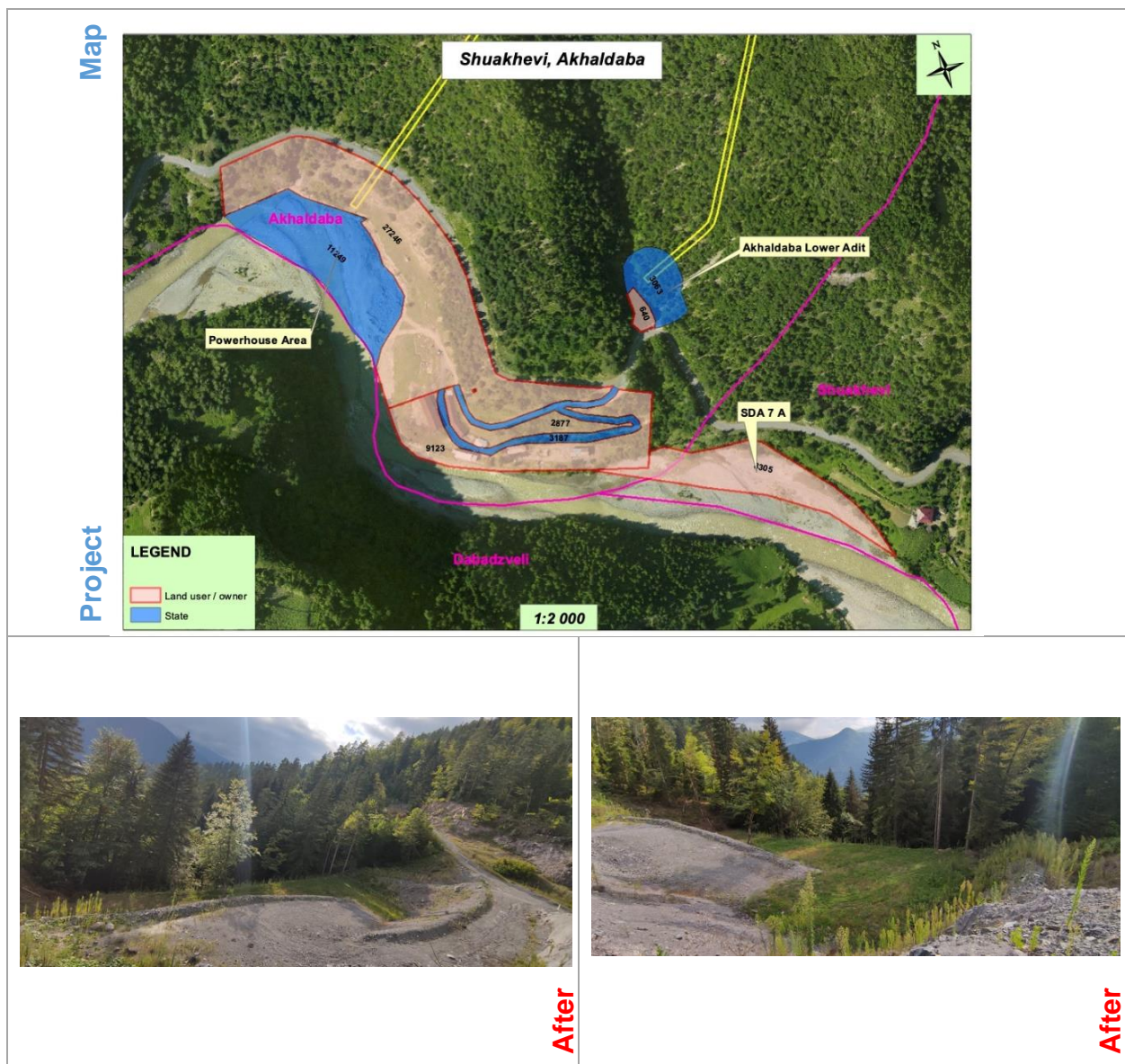
- ✓ *Supplies for the School Library were purchased;*
- ✓ *Classrooms at local schools were rehabilitated;*
- ✓ *Local school territory was refurbished;*

- ✓ The local schoolyard was refurbished;
- ✓ The warehouse was constructed for the local school;
- ✓ Local roads were gravelled;
- ✓ The local water system was rehabilitated.

7.2 Akhaldaba Village

Akhaldaba is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, there are 97 permanent households, comprising 421 residents living in the village. In Akhaldaba, the Project acquired land plots for a powerhouse, storage area, Akhaldaba Lower Adit, and access road.

Project Map and Photos after the construction in Akhaldaba – present state of lands



7.2.1 Land Acquisition and Compensation

In total, 86,088 sq. m. were acquired from 18 families in Akhaldaba, 14,370 sq. m. of which (storage area) has been restored to the initial state after the construction works, and these areas are available for public use. 60,527 sq. m. of state lands were acquired by the Project in Akhaldaba. An area of 16,513 sq. m. of the state lands has now been restored for public use (in fact, these lands were intended to be used for SDA Akhaldaba but were not used at the end).

Tables 18 and 19 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 18 – Acquired Lands from Private Owners/Users by its type

Type of Land	Area m ²
Arable	56,447
Grazing	29,641
TOTAL	86,088

Table 19 – Acquired Lands from Private Owners/Users – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Powerhouse Area	27,246		27,246	
Powerhouse Area	2,877		2,877	
Powerhouse Area	9,123		9,123	
Akhaldaba Lower Adit	640		640	
Akhaldaba Adit Access Road	28,990		28,990	
Akhaldaba Adit Access Road	2,842		2,842	
Akhaldaba Storage Area	14,370	14,370		
TOTAL	86,088	14,370	71,718	

All 18 AHs in the village are categorised by vulnerability and impact type. Five AHs were categorised as vulnerable by the baseline study. Only four AHs were severely affected by the Project in the village. Table 20 below presents the impact of the Project on the 18 households mentioned above:

Table 20 – Impacted Households in Akhaldaba by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	5
Households impacted by less than 10%	7
Households impacted by 10% or more	7
Households impacted by more than 50%	4
Total number of AHs	18

In total, ten out of the 18 impacted households were interviewed for the study. According to the study results, none of the interviewed AHs in Akhaldaba are under the poverty line in 2021, meaning they get more income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. It should be noted that five out of these 10 AHs had less income than the official poverty line defined by the National Statistics Office of Georgian in 2012. Furthermore, according to the study, compared to the data of 2012, incomes of all of these ten households (including the five under the poverty line in 2012) reported improved incomes on average by 49%, which is higher than the official inflation rate of 32.31% in the country. The study results, on average, found that AHs reported earning 352 GEL per month in 2012 before the Project, while they reported getting on average 697 GEL per month in 2021.

Livelihoods of all affected households in Akhaldaba village can be assessed as restored, based on the data gathered. A portion of the acquired land has also been reinstated and made available for public use for the benefit of local inhabitants. Table 21 below presents an assessment of the Project impact on interviewed ten households in Akhaldaba village:

Table 21 – Assessment of Interviewed Impacted Households in Akhaldaba

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
1	700	924	1000	Increased Income				More than 50% - arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
2	350	462	640	Increased Income				Less than 10% - not productive	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
3	102	135	500	Increased Income	Under Poverty Line		Vulnerable	Less than 10% - arable		Assessed to have restored the HH livelihood as the family income has increased after the project.
4	250	330	500	Increased Income	Under Poverty Line			Less than 10% - arable	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
5	350	462	480	Increased Income			Vulnerable	10% or more - arable, mowing	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
6	208	275	285	Increased Income	Under Poverty Line			10% or more - arable	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
7	280	370	1300	Increased Income	Under Poverty Line		Vulnerable	More than 50% - arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
8	700	924	960	Increased Income			Vulnerable	More than 50% - arable, mowing	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
9	181	239	700	Increased Income	Under Poverty Line			Less than 10% - arable		Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
76	400	528	600	Increased Income			Vulnerable	10% or more - pasture		Assessed to have restored the HH livelihood as the family income has increased after the project.
AVERAGE	352	465	697							

7.2.3 Grievances

In total, the Project received 105 grievances from the residents of Akhaldaba. Most of which were either on damage to the house or dust and noise caused by construction works. Each case was studied separately. Some of the households were given additional compensation for the damage when the state services assessed the house damage. In very few cases, households living very close to the roads were compensated as well because of dust. As mentioned above, the main reason for dissatisfaction in the village was the compensation rate for trees as one of the villagers went to the court claiming that every tree should have been paid for more than five years of productivity like it was calculated in the case of walnut trees. He lost the case in court. However, during Face-to-face interviews, other AHs from the village assessed the provided compensation as fair.

7.2.4 Livelihood Restoration

The Project team interviewed all affected households in Akhaldaba who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 18 AHs in Akhaldaba whose land plots were acquired individually were provided with options for livelihood support to choose from. However, only 15 of them attended the training. 10 out of 15 households attended training on beekeeping, and they were given beehives. Four AHs attended the training on hazelnut production, and they were given hazelnut saplings. One more household attended the training on cattle breeding, and they were given finances to purchase a cow.

7.2.5 Employment and Other Benefits of the Project

During the construction period, 170 people, at least one adult member from each local household, was employed by the Project (a total of 97 households reside permanently in the village). Furthermore, 58 affected residents attended vocational training (skills training with certification in practical skills for employment). In addition, the following educational and awareness-raising projects were implemented for affected people in Akhaldaba:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*
- ✓ *Awareness-raising on sustainable use of firewood and energy-efficient wood stoves;*

Two small business grants were given to two affected households in the village. In total, 203,989 GEL was spent by the Project on the following social and community projects implemented in Akhaldaba to support the livelihoods:

- ✓ A water supply system was developed;
- ✓ The drainage system was rehabilitated;
- ✓ A protective wall was arranged;
- ✓ Construction materials were provided to the residents.

7.3 Didachara Village

Didachara is one of the villages affected by the Project in Khulo municipality. According to the official statistics, there are 250 permanently residing households, comprising 938 residents living in the village. The Project acquired land plots in this area for the dam, reservoir, Ghorjomi bridge, and access road.

Project Map and Photos before and after construction in Didachara





7.3.1 Land Acquisition and Compensation

In total, 199,638 sq. m. were acquired from 84 families in Didachara, including 25,608 sq. m. which has been restored to the initial state after the construction works, and made available for public use.

Tables 22 and 23 below show areas of land by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 22 – Acquired Lands from Private Owners/Users in Didachara by its type

Type of Land	Area m ²
River slope	27,266
Forest	22,741
Meadow	27,298
Arable	42,902
Grazing	79,431
TOTAL	199,638

Table 23 – Acquired Lands from Private Owners/Users in Didachara – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Didachara reservoir (+buffer zone)	39,805		39,805	
Ghorjomi Bridge and Access Road	6,967		6,967	
Didachara reservoir (+buffer zone)	23,644		23,644	
Didachara reservoir (+buffer zone)	51,949		51,949	
Didachara dam site	4,355		4,355	
Ghorjomi Bridge and Access Road	25,608	25,608		
Ghorjomi Bridge and Access Road	26,665		26,665	
Didachara Lower stream	9,506		9,506	
Ghorjomi Bridge and Access Road	5,018		5,018	
Didachara dam site	1,955		1,955	
Didachara dam site	4,166		4,166	
TOTAL	199,638	25,608	174,030	

All 84 compensated AHs were categorised by vulnerability and impact type. 20 AHs from these were categorised as vulnerable by the baseline study. Table 24 below presents the impact of the Project on all affected households in Didachara:

Table 24 – Impacted Households in Didachara by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	20
Households impacted by less than 10%	53
Households impacted by 10% or more	29
Households impacted by more than 50%	2
Total Number of AHs	84

In total, 31 out of 84 impacted households in Didachara were interviewed for the study. According to the study results, none of the interviewed AH in Didachara are under the poverty line, meaning none of the families inquired getting less income than identified Subsistence Minimum of a

household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. Six out of interviewed 31 AHs in Didachara had less income than the official poverty line defined by the National Statistics Office of Georgian in 2012. However, according to the study results, their incomes have improved since then, and they are not under the poverty line anymore. Incomes of 24 AHs (77%) have been increased since 2012 (including six AHs under the poverty line in 2012). An average increase represents 48%, which is higher than the country's official inflation rate of 32.31%. However, the study results also show that incomes of three AHs (10%) have decreased in 2021. The income of only one AH has not been changed since 2012. The study results, on average, found that AHs reported earning 766 GEL per month in 2012 before the Project, while they reported getting on average 1312 GEL per month in 2021. Table 25 below presents an assessment of the Project impact on interviewed 31 households in Didachara village:

Table 25 – Assessment of Interviewed Impacted Households in Didachara village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
10	2000	2640	3000	Increased Income				Less than 10% Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
11	800	1056	1280	Increased Income				Less than 10% Pasture	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
12	1200	1584	800	Decreased Income				10% or more Arable	Cattle breeding	Assessed to have restored the HH livelihood as they purchased a house in Batumi which is providing income.
13	400	528	300	Decreased Income				Less than 10% - Mowing	Cattle breeding	The impact was less than 10% of the productive land. The land was shared by two brothers and was used as mowing pasture.

14	1000	1320	470	Decreased Income			Vulnerable	10% or more - Arable	Beekeeping	There is only one family member who was employed before the Project in Batumi. Nowadays he is a pensioner and besides the pension, he is employed locally in the village at easier job appropriate for his age with much less salary. He was employed by the Project as well during the construction period and he was much better off that time. He was also involved in a livelihood restoration project for beekeeping and were given beehives. The impact of the Project was not significant as only 825 sq. m land on the slope with trees was purchased from the AH. The overall impact of the project on the AH livelihood was limited and the project's responsibilities have been fulfilled.
15	2000	2640	3500	Increased Income				More than 50% Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
16	600	792	1000	Increased Income				or 10% more Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
17	900	1188	1200	Increased Income				or 10% more Pasture	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
50	200	264	500	Increased Income	Under Poverty Line			Less than 10% Pasture	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
59	150	198	750	Increased Income	Under Poverty Line			Less than 10% Pasture	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
61	500	660	1600	Increased Income				Less than 10% - Non-productive	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
62	660	871	1600	Increased Income				Less than 10% Pasture	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
63	600	792	3300	Increased Income				Less than 10% - Non-productive		Assessed to have restored the HH livelihood as the family income has increased after the project.
64	350	462	1000	Increased Income				or 10% more Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
65	160	211	500	Increased Income	Under Poverty Line		Vulnerable	Less than 10% Pasture	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
66	2200	2904	3000	Increased Income				or 10% more Arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
67	120	158	280	Increased Income	Under Poverty Line		Vulnerable	Losing 10% or more Pasture		Assessed to have restored the HH livelihood as the family income has increased after the project.
68	800	1056	3500	Increased Income				Less than 10% Pasture	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
70	170	224	500	Increased Income	Under Poverty Line		Vulnerable	Less than 10% - Non-productive		Assessed to have restored the HH livelihood as the family income has increased after the project.
77	400	528	1300	Increased Income			Vulnerable	Losing 10% or more Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
79	2000	2640	3000	Increased Income			Vulnerable	Losing 10% or more Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
83	1500	1980	700	Decreased Income				More than 50% - Non-productive		Assessed to have restored the HH livelihood as they purchased a house in Batumi which is providing income. The land purchased was non-productive.
84	500	660	330	Decreased Income			Vulnerable	Less than 10% -Arable	Cattle breeding	Assessed to have restored the HH livelihood as it was pasture land and made less than 10 % impact (In total the Project purchased 971 sq. m mountain slope from the AH with some trees). The AH was also involved in livelihood restoration projects for cattle breeding. The condition of the household has worsened after the death of the household head.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
90	800	1056	1056	Income has not changed			Vulnerable	Less than 10% - Pasture	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
91	300	396	600	Increased Income	Under Poverty Line		Vulnerable	Less than 10% - Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
92	650	858	900	Increased Income			Vulnerable	Less than 10% - Pasture	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
94	200	264	500	Increased Income			Vulnerable	Less than 10% - Forest	Refused to participate	Assessed to have restored the HH livelihood as the family income has increased after the project.
95	500	660	320	Decreased Income			Vulnerable	Less than 10% - Pasture		Assessed to have restored the HH livelihood as they purchased a house in Batumi which is providing income.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
96	1000	1320	1500	Increased Income			Vulnerable	Less than 10% Pasture	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
98	400	528	550	Increased Income			Vulnerable	Less than 10% - Forest	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project. They were also involved in livelihood restoration projects for cattle breeding and were given a cow.
99	700	924	2000	Increased Income			Vulnerable	Less than 10% Mowing		Assessed to have restored the HH livelihood as the family income has increased after the project.
AVERAGE	766	1012	1312							

7.3.2 Grievances

In total, the Project received 265 grievances from the residents of Didachara. Most of which were either for damage to the house or damaged land plots with requests for additional compensation following an assessment by public representatives. The main reason for dissatisfaction in the village is the temporary lands used by the Project, which are being restored and will be given back to the state. All the villagers hope that such lands will be given back for their usage.

7.3.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 84 AHs in Didachara whose land plots were acquired individually were provided with livelihood support of their choice; however, only 51 attended the training. 13 out of these 51 AHs attended training on beekeeping and were given beehives. 16 AHs attended the training on hazelnut production and was given hazelnut saplings, and 22 AHs attended training on cattle breeding and were given financial support to purchase the cows.

7.3.4 Employment and Other Benefits of the Project

During the construction period, 57 people from Didachara village were employed by the Project. Twenty-one out of the employed people were from the affected households. Furthermore, 86 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Didachara:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

Two small business grants were given to the two affected households in the village. In total, 114,058 GEL was spent by the Project on the following social and community projects implemented in Akhaldaba to support the livelihoods:

- ✓ *Village road (11km) was gravelled;*
- ✓ *Sports hall in Didachara Public School was rehabilitated;*
- ✓ *Kinder garden yard was rehabilitated;*
- ✓ *Village's social club was renovated;*
- ✓ *The water system was rehabilitated;*
- ✓ *The football pitch and sports hall in the yard were repaired.*

7.4 Makhalakidzebi Village

Makhalakidzebi is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, there are 77 permanently residing households, 315 residents living in the village. The Project acquired land plots in this area for the SDA1, Chirukhistkali camp Site, Chirukhistqali concrete weir and Headworks on Chirukhistqali.

Project Map and Photos before and after construction in Makhalakidzebi



7.4.1 Land Acquisition and Compensation

In total, 49,171 sq. m. were acquired from 26 families in Makhalakidzebi, 33,942 sq. m. of which have been restored to the initial state after the construction works, and these areas are available for public use.

Tables 26 and 27 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 26 – Acquired Lands from Private Owners/Users in Makhalakidzebi by its type

Type of Land	Area m ²
River slope	4,640
Meadow	25,456
Arable	17,834
Grazing	1,241
TOTAL	49,171

Table 27 – Acquired Lands from Private Owners/Users in Makhalakidzebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
SDA 1	18,459	18,459		
Chirukhistkali camp Site	6,704	6,704		
Chirukhistqali concrete weir	6,839	6,839		
Headworks on Chirukhistqali	5,497		5,497	
Headworks on Chirukhistqali	3,581		3,581	
Headworks on Chirukhistqali	2,004		2,004	
Headworks on Chirukhistqali	1,332		1,332	
Headworks on Chirukhistqali	4,755	1,940	2,815	
TOTAL	49,171	33,942	15,229	

All compensated 26 AHs were categorised by vulnerability and impact type. Two AHs from these were categorised as vulnerable by the baseline study. Table 28 below presents the impact of the Project on all affected households in Makhalakidzebi:

Table 28 – Impacted Households in Makhalakidzeebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	2
Households impacted by less than 10%	6
Households impacted by loss of 10% to 50% of land	20
Households impacted by more than 50%	0
Total Number of AHs	26

Five out of 26 impacted households, including vulnerable ones in Makhalakidzeebi, were interviewed for the study. According to the study results, none of the interviewed AHs in Makhalakidzeebi is under the poverty line in 2021, meaning the family is getting less income than identified Subsistence Minimum of a household in the country by the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>.

Two interviewed AHs in Makhalakidzeebi previously received less income than the official poverty line defined by the National Statistics Office of Georgian in 2012; however, their incomes have been improved since then, and they are not under the poverty line anymore, according to the study results. The comparison of incomes of all interviewed AHs shows that incomes of four AHs out of interviewed five have been increased since 2012 (including two AHs under the poverty line in 2012) on average by 58%, which is higher than the official inflation rate of 32.31% in the country. One out of five interviewed AHs did not disclose the family income in 2021. The study results, on average, found that AHs reported earning 318 GEL per month in 2012 before the Project, while they reported getting on average 750 GEL per month in 2021. Table 29 below presents an assessment of the Project impact on interviewing five households in Makhalakidzeebi village:

Table 29 – Assessment of Interviewed Impacted Households in Makhalakidzebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
44	560	739	1100	Increased Income				Losing 10% or more Mowing	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
45	500	660	700	Increased Income				Losing 10% or more Mowing	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
47	100	132	300	Increased Income	Under Poverty Line		Vulnerable	Losing 10% or more Arable, pasture	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
48	260	343	900	Increased Income	Under Poverty Line		Vulnerable	Losing 10% or more Mowing	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
69	to Refused Answer	to Refused Answer	to Refused Answer	to Refused Answer				Losing 10% or more - arable, mowing	Beekeeping	Assessed to have restored the HH livelihood as no worsening of livelihood conditions were identified by the study.
AVERAGE	318	420	750							

7.4.2 Grievances

In total, the Project received 56 grievances from the residents of Makhalakidzeebi. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.4.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project and found that they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 26 AHs in Makhalakidzeebi whose land plots were acquired individually were provided with options for livelihood support of their choice; however, only 8 attended the training. All these 8 AHs attended training on beekeeping and were given beehives.

7.4.4 Employment and Other Benefits of the Project

During the construction period, 39 people from Makhalakidzeebi village were employed by the Project. Seven out of the employed people were from the affected households. Furthermore, 34 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Makhalakidzeebi:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

In total, 223,567 GEL was spent by the Project on the following social and community projects implemented in Makhalakidzeebi to support the livelihoods:

- ✓ *Footpath bridge was repaired;*
- ✓ *Approximately 5 km of the water system was repaired;*
- ✓ *The road of the village was gravelled;*
- ✓ *Gabion on the village road was built;*
- ✓ *Materials for fence rehabilitation was purchased;*
- ✓ *Gabion on the village road was built;*
- ✓ *A protective wall was constructed;*
- ✓ *The water system was rehabilitated;*
- ✓ *A water pump was installed.*

7.5 Chanchkhalo Village

Chanchkhalo is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, 133 permanently residing households and 486 residents are living in the village. The Project acquired land plots for the SDA 6, Chanchkhalo Adit, and Chanchkhalo Adit Access Road.

Project Map and Photos before and after construction in Chanchkhalo



7.5.1 Land Acquisition and Compensation

In total, 33,176 sq. m. were acquired from 19 families in Chanchkhalo, 22,237 sq. m. of which has been restored to the initial state after the construction works, and these areas are available for public use.

Tables 30 and 31 below show areas of land by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 30 – Acquired Lands from Private Owners/Users in Chanchkhalo by its type

Type of Land	Area m ²
River slope	1,058
Forest	12,121
Meadow	7,360
Arable	6,721
Grazing	5,916
TOTAL	33,176

Table 31 – Acquired Lands from Private Owners/Users in Chanchkhalo – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Chanchkhalo Adit	5,354		5,354	
Chanchkhalo Adit Access Road	4,261		4,261	
Chanchkhalo Adit	1,324		1,324	
SDA 6	22,237	22,237		
TOTAL	33,176	22,237	10,939	

All 19 compensated AHs were categorised by vulnerability and impact type. Two AHs out of these were categorised as vulnerable by the baseline study. More than 50% of the property was acquired only from one AH in the village. Table 32 below presents the impact of the Project on all affected households in Chanchkhalo:

Table 32 – Impacted Households in Chanchkhalo by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	2
Households impacted by less than 10%	16
Households impacted by loss of 10% to 50% of land	2
Households impacted by more than 50%	1

Total Number of AHs	19
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Six out of 19 impacted households, including vulnerable ones in Chanchkhalo, were interviewed for the study. According to the study results, none of the interviewed AHs in Chanchkhalo is under the poverty line in 2021, meaning none of the inquired families getting less income than identified Subsistence Minimum of a household in the country by the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. Four interviewed AHs in Chanchkhalo had less income than the official poverty line defined by the National Statistics Office of Georgian in 2012; however, their incomes have been improved since then, and they are not under the poverty line anymore, according to the study results. Incomes of all AHs in the village have been increased since 2012 (including four AHs under the poverty line in 2012). The increase made 66% on average, higher than the official inflation rate of 32.31% in the country. The study results, on average, found that AHs reported earning 269 GEL per month in 2012 before the Project, while they reported getting on average 783 GEL per month in 2021. Table 33 below presents an assessment of the Project impact on interviewing six households in Chanchkhalo village:

Table 33 – Assessment of Interviewed Impacted Households in Chanchkhalo village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
51	208	275	600	Increased Income	Under Poverty Line			Less than 10% Pasture	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
52	99	131	600	Increased Income	Under Poverty Line			Less than 10% arable	Refused to participate	Assessed to have restored the HH livelihood as the family income has increased after the project.
53	400	528	550	Increased Income			Vulnerable	More than 50% - Mowing	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They also were provided training on beekeeping and were given beehives.
54	208	275	1500	Increased Income	Under Poverty Line			Less than 10% Arable	Refused to participate	Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
56	300	396	650	Increased Income	Under Poverty Line			Less than 10% Pasture	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project.
86	400	528	800	Increased Income			Vulnerable	Less than 10% arable		Assessed to have restored the HH livelihood as the family income has increased after the project.
AVERAGE	269	355	783							

7.5.2 Grievances

In total, the Project received 90 grievances from the residents of Chanchkhalo. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives. As mentioned above, the main reason for dissatisfaction in the village is “unfair compensation” on damage to houses. The villagers reported that they did not understand the criteria for how the houses were evaluated.

7.5.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 19 AHs in Chanchkhalo whose land plots were acquired individually were provided with livelihood support of their choice; however, only four attended the training. One AH attended training on beekeeping and was given beehives, while the rest three attended the training on hazelnut production and was given hazelnut saplings.

7.5.4 Employment and Other Benefits of the Project

During the construction period, 141 people from Chanchkhalo village were employed by the Project, the Project employed at least one adult member from each local household. Eight out of the employed people were from the affected households. Furthermore, 49 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Chanchkhalo:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

Small business grants were given to the 21 beneficiaries in the village. In total, 158,214 GEL was spent by the Project on the following social and community projects implemented in Chanchkhalo to support the livelihoods:

- ✓ *Drinking water was rehabilitated;*
- ✓ *Public school toilets were repaired;*
- ✓ *Satikheti-Chanchkhalo road was gravelled;*
- ✓ *New kindergarten was built.*

7.6 lakobadzeebi Village

lakobadzeebi is one of the villages affected by the Project in Khulo municipality. According to the official statistics, 55 permanently residing households and 258 residents are living in the village. The Project acquired land plots in this area for the dam and reservoir.

Project Map and Photos before and after construction in lakobadzeebi



7.6.1 Land Acquisition and Compensation

In total, 83,436 sq. m. were acquired from 25 families in lakobadzeebi permanently.

Tables 34 and 35 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 34 – Acquired Lands from Private Owners/Users in Iakobadzeebi by its type

Type of Land	Area m ²
River slope	3,666
Forest	28,092
Meadow	13,598
Arable	28,805
Grazing	9,275
TOTAL	83,436

Table 35 – Acquired Lands from Private Owners/Users in Iakobadzeebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Didachara reservoir (+buffer zone)	62,738		62,738	
Didachara Lower stream	14,432		14,432	
Didachara dam site	6,266		6,266	
TOTAL	83,436		83,436	

All compensated 25 AHs were categorised by vulnerability and impact type. Seven AHs from these were categorised as vulnerable by the baseline study. 50% and more property were acquired only from one AH in the village. Table 36 below presents the impact of the Project on all affected households in Iakobadzeebi:

Table 36 – Impacted Households in Iakobadzeebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	7
Households impacted by less than 10%	20
Households impacted by loss of 10%-50% of land	4
Households impacted by more than 50%	1
Total Number of AHs	25

In total, nine out of 25 impacted households in Iakobadzeebi were interviewed for the study. According to the study results, only one interviewed AH in Iakobidzeebi is under the poverty line in 2021 based on reported incomes, meaning the family gets less income than identified Subsistence Minimum of a household in the country by the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. Incomes of five out of nine AHs in the village have increased since 2012 (including vulnerable AHs). The increase represents 61%, which is higher than the official inflation rate of 32.31% in the country. One AH did not report the family income, while the reported amounts have decreased incomes of three more AHs, and one of them is under the official poverty line. However, it should be noted here that all three families with decreased incomes bought apartments in Batumi using the compensation, and property owned by them in 2021 is a much higher value than they had in 2012. On average, interviewed AHs reported earning 833 GEL per month in 2012 before the Project, while they reported getting 1038 GEL per month in 2021. Table 37 below presents an assessment of Project impact on interviewed nine households in Iakobadzeebi village:

Table 37 – Assessment of Interviewed Impacted Households in Iakobadzeebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
18	400	528	550	Increased Income				Less than 10% Forest	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
19	600	792	2000	Increased Income				Less than 10% Forest	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
20	Refused to Answer	Refused to Answer	Refused to Answer	Refused to Answer				Less than 10% Forest	Cattle breeding	Assessed to have restored the HH livelihood.
72	1000	1320	400	Decreased Income		Under Poverty Line		More than 50% - Mowing	Cattle breeding	Assessed to have restored the HH livelihood as they purchased a house in Batumi which is providing income (the apartment is fully paid). They were provided with training in cattle breeding and a cow as part of the Livelihood Restoration program.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
78	1500	1980	1200	Decreased Income			Vulnerable	Losing 10% or more -Arable	Nut production	Assessed to have restored the HH livelihood as they purchased a house in Batumi which is providing income.
85	400	528	550	Increased Income			Vulnerable	Less than 10% Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project.
88	500	660	2000	Increased Income			Vulnerable	Less than 10% Forest	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
93	2000	2640	1200	Decreased Income			Vulnerable	Less than 10% - Forest	Cattle breeding	Assessed to have restored the HH livelihood as they purchased a house in Batumi which is providing income.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
97	260	343	400	Increased Income			Vulnerable	Less than 10% Forest	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.
AVERAGE	753	994	1038							

7.6.2 Grievances

In total, the Project received 45 grievances from the residents of Iakobadzeebi. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.6.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 25 AHs in Iakobadzeebi whose land plots were acquired individually were provided with livelihood support of their choice; however, only 17 attended the training. Three AHs attended training on beekeeping and were given beehives. Six AHs attended the training on hazelnut production and were given hazelnut saplings, while the rest eight AHs attended the training on cattle breeding and were partly financed to buy the cows.

7.6.4 Employment and Other Benefits of the Project

During the construction period, 20 people from Iakobadzeebi village were employed by the Project. 13 out of the employed people were from the affected households whose lands had been acquired. Furthermore, 49 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Iakobadzeebi:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

Small business grants were given to the two beneficiaries in the village. No social and community projects were implemented in Iakobadzeebi.

7.7 Kvatia Village

Kvatia is one of the villages affected by the Project in Khulo municipality. According to the official statistics, 71 permanently residing households and 358 residents are living in the village. The Project acquired land plots in this area for Skhalta daily regulation reservoir.

Project Map and Photos before and after construction in Kvatia



7.7.1 Land Acquisition and Compensation

In total, 76,809 sq. m. was acquired from 20 families in Kvatia, 25,928 sq. m. of which have been restored to the initial state after the construction works, and these areas are available for public use now.

The village's background was the following: Kvatia is a neighbouring village of Tsalana, which was supposed to be resettled after the landslide in 1989 years. Tsalana residents, with the help of Project compensation and the support of the state, and consultations with the village authorities were given apartments in Batumi. Kvatia villagers wanted to do the same. However, no consensus could be reached, and all private land plots or areas that families used were purchased from separate AHs. As a result, compensation was not invested in the construction of the blocks of apartments in Batumi.

Although the issue was not the responsibility of the Project, the villagers still blame the Project for this. Furthermore, Tshalana villagers appointed their representatives who negotiated all social and infrastructure projects with the Project representatives and selected priorities. In this case, Kvatia residents could not appoint representatives for such purposes and could not agree on priority projects to be financed by the Project. Accordingly, they have the feeling that they did not get sufficient benefits from the Project.

Most of the land plots acquired by the Project from AHs in Kvatia were non-productive. Tables 38 and 39 below show land areas by type and status (acquired by the Project permanently or only for temporary use to be rehabilitated back to productive land).

Table 38 – Acquired Lands from Private Owners/Users in Kvatia by their type

Type of Land	Area m ²
River slope	52,544
Forest	16,125
Meadow	1,122
Arable	7,018
TOTAL	76,809

Table 39 – Acquired Lands from Private Owners/Users in Kvatia – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Skhalta daily regulation reservoir	15,447	15,447		
Skhalta daily regulation reservoir	13,945		13,945	
Skhalta daily regulation reservoir	20,481	20,481		
Skhalta daily regulation reservoir	8,635		8,635	
Skhalta daily regulation reservoir	2,679		2,679	
Skhalta daily regulation reservoir	3,786		3,786	
Skhalta daily regulation reservoir	3,788		3,788	
Skhalta daily regulation reservoir	8,048		8,048	
TOTAL	76,809	35,928	40,881	

All 20 compensated AHs were categorised by vulnerability and impact type. Six AHs out of these were categorised as vulnerable by the baseline study. Table 40 below presents the impact of the Project on all affected households in Kvatia:

Table 40 – Impacted Households in Kvatia by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	7
Households impacted by less than 10%	18
Households impacted by 10% to 50%	2
Households impacted by more than 50%	0
Total Number of AHs	20

In total, nine out of 20 impacted households in Kvatia were interviewed for the study. According to the study results, none of the interviewed AHs in Kvatia is under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. A comparison of incomes of all interviewed AHs found that the incomes of all nine AHs in the village have increased since 2012 (including vulnerable five AHs) on average by 70%, which is higher than the official inflation rate of 32.31% in the country. The study results, on average, found that AHs reported earning 384 GEL per month in 2012 before the Project, while they reported getting on average 1283 GEL per month in 2021. Table 41 below presents an assessment of Project impact on interviewed nine households in Kvatia village:

Table 41 – Assessment of Interviewed Impacted Households in Kvatia village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
27	400	528	800	Increased Income			Vulnerable	Less than 10% - Non-productive	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.
28	175	231	350	Increased Income	Under Poverty Line		Vulnerable	Less than 10% - Non-productive	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
29	100	132	300	Increased Income	Under Poverty Line		Vulnerable	- Less than 10% Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.
32	170	224	1000	Increased Income	Under Poverty Line			- Less than 10% Non-productive		Assessed to have restored the HH livelihood as the family income has increased after the project.
33	317	418	2050	Increased Income	Under Poverty Line		Vulnerable	- Less than 10% Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
39	1000	1320	1550	Increased Income				Losing 10% or more - Forest	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in nut production and were given nut saplings for livelihood restoration.
40	80	106	1300	Increased Income	Under Poverty Line			Losing 10% or more - Arable	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.
55	312	412	3000	Increased Income				Less than 10% - Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
89	900	1188	1200	Increased Income			Vulnerable	Less than 10% Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.
AVERAGE	384	507	1283							

7.7.2 Grievances

In total, the Project received 21 grievances from the residents of Kvatia, most of which were related to damage to the houses and requests for additional compensation. Some of the households were given additional compensation for the damage to the houses following an assessment by state representatives. As was mentioned above, the main reason for dissatisfaction in the village benefits village could not get from the Project, which was as a result, not reaching any consensus. The low employment rate was also reported as one of the reasons for dissatisfaction.

7.7.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. This included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 20 AHs in Kvatia whose land plots were acquired individually were provided with livelihood support of their choice and 19 attended the training. 17 AHs attended training on beekeeping and were given beehives, while two AHs attended the training on hazelnut production and were given hazelnut saplings.

7.7.4 Employment and Other Benefits of the Project

During the construction period, four people from Kvatia village were employed by the Project. Furthermore, 50 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Kvatia:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

No social or community projects were implemented in Kvatia for additional support of livelihoods because of the reasons mentioned above (no consensus among village residents).

7.8 Diakonidzeebi Village

Diakonidzeebi is one of the villages affected by the Project in Khulo municipality. According to the official statistics, 56 permanently residing households and 273 residents are living in the village. The Project acquired land plots in this area for SDA 3, SDA 3A, and Diakonidze Adit.

Project Map and Photos before and after construction in Diakonidzeebi



7.8.1 Land Acquisition and Compensation

In total, 44,381 sq. m. were acquired from 15 families in Diakonidzeebi, and a significant part of this land, 40,929 sq. m., has been restored to the initial state after the construction works, and these areas are available for public use now.

Tables 42 and 43 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 42 – Acquired Lands from Private Owners/Users in Diakonidzeebi by its type

Type of Land	Area m ²
River slope	6,691
Forest	776
Meadow	5,552
Arable	8,195
Grazing	23,167
TOTAL	44,381

Table 43 – Acquired Lands from Private Owners/Users in Diakonidzeebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
SDA 3	20,867	20,867		
SDA 3A	20,062	20,062		
Diakonidze Adit	3,452		3,452	
TOTAL	44,381	40,929	3,452	

All 15 compensated AHs were categorised by vulnerability and impact type. No AHs in Diakonidzeebi were categorised as vulnerable by the baseline study. Table 44 below presents the impact of the Project on all affected households in Diakonidzeebi:

Table 44 – Impacted Households in Diakonidzeebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	14
Households impacted by 10% - 50% of land	1
Households impacted by more than 50%	0
Total Number of AHs	15

In total, four out of 15 impacted households in Diakonidzeebi were interviewed for the study. According to the study results, none of the interviewed AHs in Diakonidzeebi is under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. Incomes of two out of interviewed four households have increased since 2012 (including the one under the poverty line in 2012). The increase represents an average of 65%, higher than the country's official inflation rate of 32.31%. On average, interviewed AHs were reported to earn 463 GEL per month in 2012 before the Project, while they reported getting on average 1320 GEL per month in 2021. Incomes of one affected family have decreased according to the study results. The family conditions were improved during the construction period when the Project employed the head of the family. However, the death of the household head worsened the economic situation of the family. Table 45 below presents an assessment of Project impact on interviewed nine households in Diakonidzeebi village:

Table 45 – Assessment of Interviewed Impacted Households in Diakonidzeebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
30	100	132	660	Increased Income	Under Poverty Line			Less than 10%	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.
36	1000	1320	3000	Increased Income				Less than 10%	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in cattle breeding and were given financing for purchasing a cow.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
38	250	330	Refused to Answer	Refused to Answer				Less than 10%	Beekeeping	Assessed to have restored the HH livelihood as the family conditions have not been changed. They were provided training in beekeeping and were given beehives for livelihood restoration.
41	500	660	300	Decreased Income				Losing 10% or more	Beekeeping	One member of the AH member was employed by the project. They were also involved in livelihood restoration projects for beekeeping and were given beehives. During the project, the condition of the household was improved. The situation of the household improved due to project support being declined recently due to the death of the household head. The land purchased from the AH was only temporarily used by the Project and it was restored for public use.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
AVERAGE	461	611	1320							

7.8.2 Grievances

In total, the Project received 168 grievances from the residents of Diakonidzeebi most of which were related to damage to the house and requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.8.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All 15 AHs in Diakonidzeebi whose land plots were acquired individually were offered livelihood support of their choice; however, 14 attended the training. Eight AHs attended training on beekeeping and were given beehives. One AH attended the training on hazelnut production and was given hazelnut saplings, while the rest six AHs attended training on cattle breeding and were given financial support to purchase the cows.

7.8.4 Employment and Other Benefits of the Project

During the construction period, 26 people from Diakonidzeebi village were employed by the Project. Furthermore, 22 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Diakonidzeebi:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

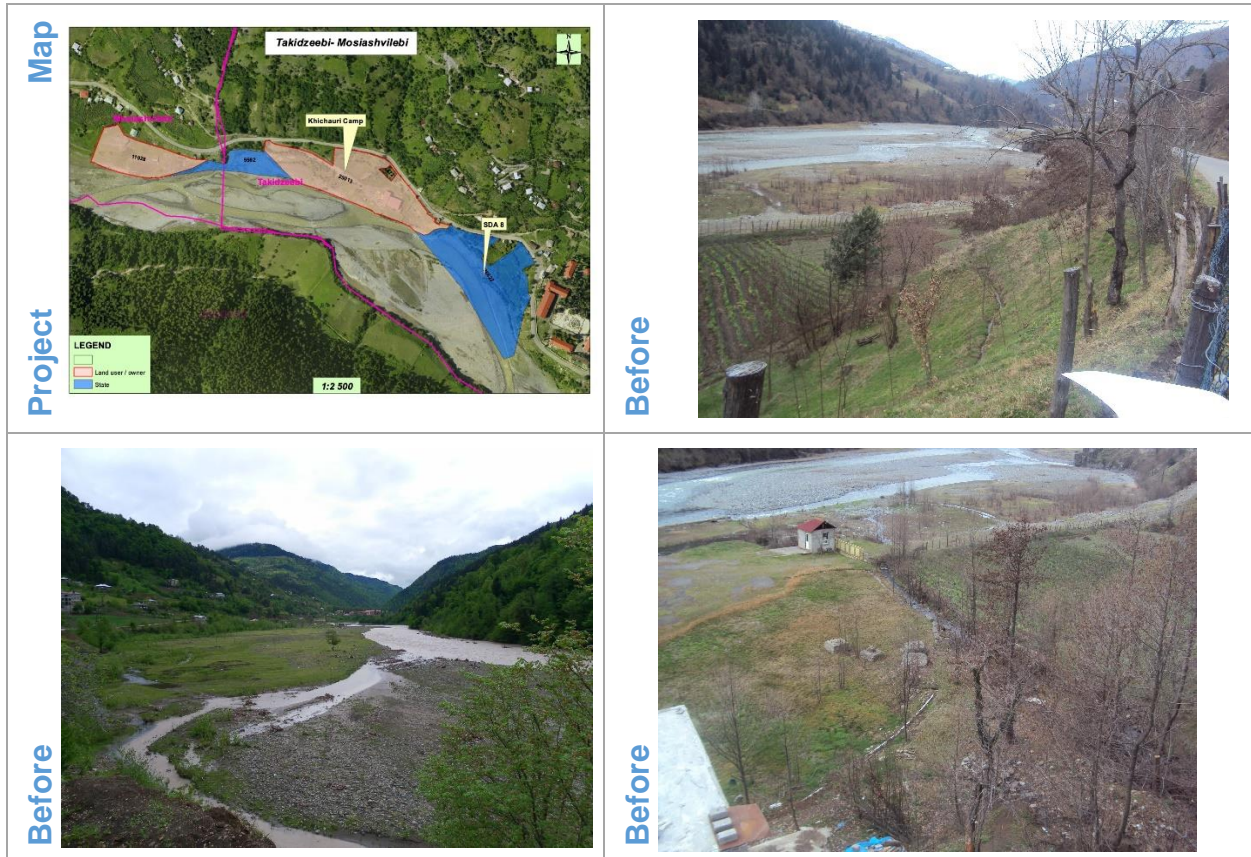
Small business grants were given to two beneficiaries in Diakonidzeebi. In total, 218,928 GEL was spent by the Project on the following social and community projects implemented in Diakonidzeebi to support the livelihoods:

- ✓ *The central water system reservoir was repaired;*
- ✓ *Land plot for football pitch was purchased;*
- ✓ *Drainage pipes were rehabilitated;*
- ✓ *The water system was cleaned;*
- ✓ *Water supplies in Ananidzeebi district (Upper part of the village) was rehabilitated;*
- ✓ *A transformer was purchased;*
- ✓ *The water system was rehabilitated.*

7.9 Takidzeebi Village

Takidzeebi is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, there are 40 permanently residing households, 186 residents living in the village. The Project acquired land plots in this area for the Khichauri camp.

Project Map and Photos before construction in Takidzeebi



7.9.1 Land Acquisition and Compensation

In total, 25,013 sq. m. were acquired from 8 families in Takidzeebi, 6,770 sq. m. of which have been restored to the initial state after the construction works, and these areas are available for public use now.

Tables 46 and 47 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 46 – Acquired Lands from Private Owners/Users in Takidzeebi by its type

Type of Land	Area m ²
River slope	1,929
Meadow	15,431
Arable	7,653
TOTAL	25,013

Table 47 – Acquired Lands from Private Owners/Users in Takidzeebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Khichauri camp	25,013	6,770	18,243	
TOTAL	25,013	6,770	18,243	

All eight compensated AHs were categorised by vulnerability and impact type. No AHs in Takidzeebi were categorised as vulnerable by the baseline study. The impact on AHs is limited, except for the one AH with an impact of over 50%. Table 48 below presents the impact of the Project on all affected households in Takidzeebi:

Table 48 – Impacted Households in Takidzeebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	0
Households impacted by 10%-50% of land	7
Households impacted by more than 50%	1
Total Number of AHs	8

One severely impacted household out of affected eight in Takidzeebi was interviewed for the study. One AH was found to be under the poverty line in 2012 based on reported incomes, meaning the family got less income than identified Subsistence Minimum of a household in the country by the National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. However, the income of interviewed household has increased since, and the family is no longer under the poverty line.

The improvement of income is 79%, higher than the official inflation rate of 32.31% in the country. One AH earned 300 GEL per month in 2012 before the Project, while they reported getting 1400 GEL per month in 2021. Table 49 below presents an assessment of Project impact on interviewed nine households in Takidzeebi village:

Table 49 – Assessment of Interviewed Impacted Households in Takidzeebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
26	300	396	1400	Increased Income	Under Poverty Line			More than 50% Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in cattle breeding and were given financing for purchasing a cow.

7.9.2 Grievances

In total, the Project received no grievances from the residents of Takidzeebi.

7.9.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All eight AHs in Takidzeebi whose land plots were acquired individually were offered livelihood support of their choice; Four attended the training on cattle breeding, and they were given financial support to purchase the cows.

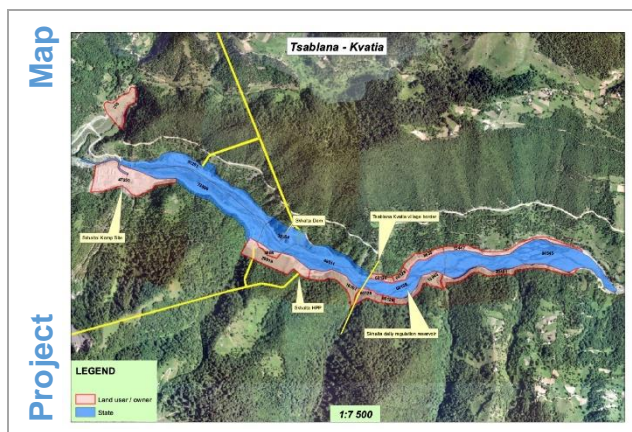
7.9.4 Employment and Other Benefits of the Project

During the construction period, nine people from Takidzeebi village were employed by the Project. No social and community projects were implemented in Takidzeebi for additional support of livelihoods because of no consensus among village dwellers.

7.10 Paksadzeebi Village

Paksadzeebi is one of the villages affected by the Project in Khulo municipality. According to the official statistics, there are 230 permanently residing households, 484 residents living in the village. The Project acquired land plots in this area for the Paksadzeebi camp.

Project Map and Photos before construction in Paksadzeebi



7.10.1 Land Acquisition and Compensation

Tables 50 and 51 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 50 – Acquired Lands from Private Owners/Users in Paksadzeebi by its type

Type of Land	Area m ²
Arable	7,912
Grazing	4,578
TOTAL	12,490

Table 51 – Acquired Lands from Private Owners/Users in Paksadzeebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Paksadzeebi camp	12,490	12,490	0	
TOTAL	12,490	12,490	0	

All compensated 7 AHs are categorized by vulnerability and impact type. No AHs in Paksadzeebi were categorized as vulnerable by the baseline study. The impact on AHs in Paksadzeebi was limited. Table 52 below presents the impact of the Project on all affected households in Paksadzeebi:

Table 52 – Impacted Households in Paksadzeebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	0
Households impacted by loss of 10% to 50% of land	3
Households impacted by more than 50%	4
Total Number of AHs	7

In total, three out of seven impacted households were interviewed in Paksadzeebi village for the study. None of the studied AHs is under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of the two interviewed households has increased, while one AH's income stays the same, considering the country's official inflation rate of 32.31%. On average, interviewed AHs earned 300 GEL per

month in 2012 before the Project, while they reported getting 709 GEL per month in 2021. Table 53 below presents an assessment of Project impact on interviewed nine households in Paksadzeebi village:

Table 53 – Assessment of Interviewed Impacted Households in Paksadzeebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
21	550	726	726	Income has not changed				10% or more Arable	Nut production	Assessed to have restored the HH livelihood as the family income has not changed after the project. They were provided training in nut production and were given nut saplings.
37	420	554	600	Increased Income				10% more Arable or -	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in cattle breeding and were given financing for purchasing a cow.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
42	600	792	800	Increased Income				10% more Arable or -	Beekeeping	Assessed to have restored the HH livelihood as the family conditions have not been changed. They were provided training in beekeeping and were given beehives for livelihood restoration.
AVERAGE	523	691	709							

7.10.2 Grievances

In total, the Project received 25 grievances from the residents of Paksadzeebi, most of which were related to damage to the house with requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.10.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All seven AHs in Paksadzeebi whose land plots were acquired individually were offered livelihood support of their choice, and only three attended the training. Two households attended training on beekeeping, and they were given beehives. One household attended the training on hazelnut production and was given hazelnut saplings.

7.10.4 Employment and Other Benefits of the Project

During the construction period, 17 people from Paksadzeebi village were employed by the Project. Furthermore, three affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Paksadzeebi:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

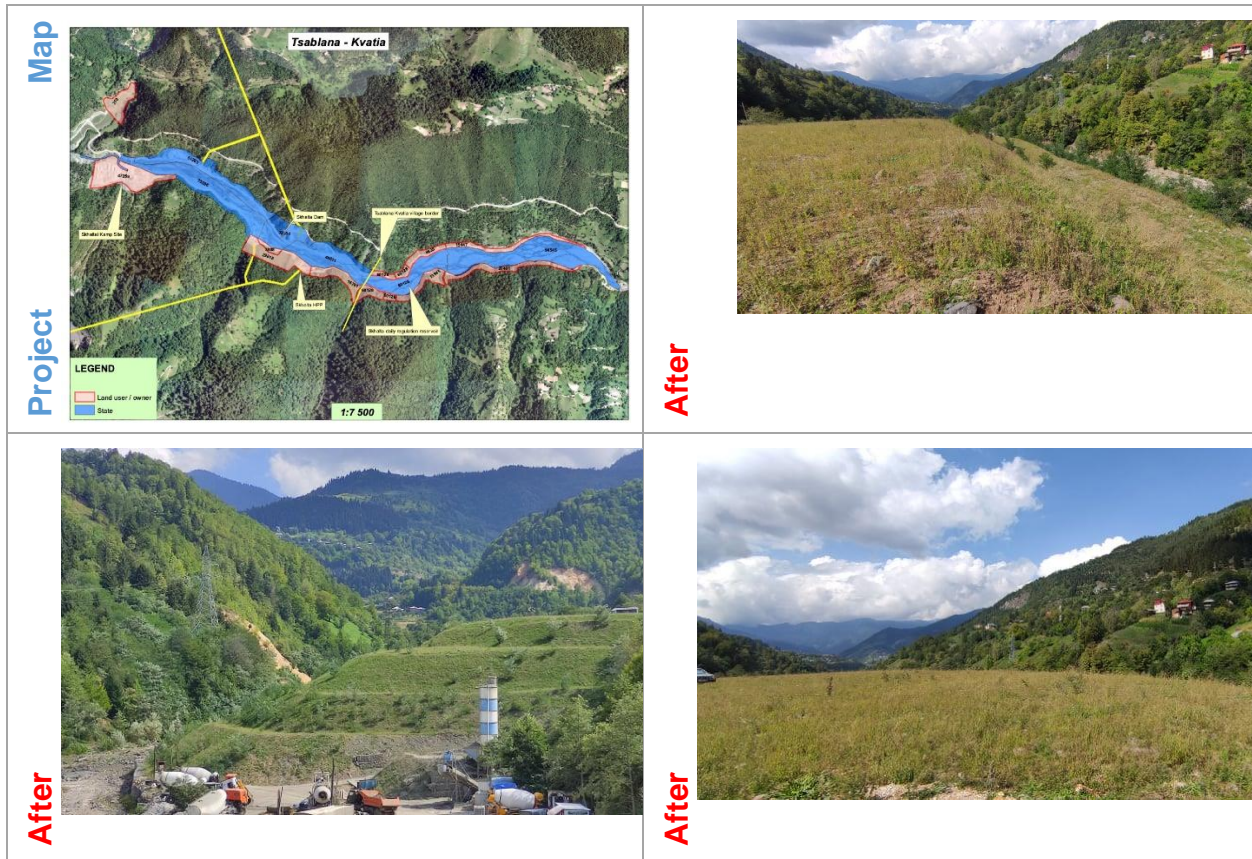
In total, 22,597 GEL was spent by the Project on the following community project implemented in Paksadzeebi to support the livelihoods:

- ✓ *Gravelling of the Approximately 3 km of the village road was gravelled.*

7.11 Ghurta Village

Ghurta is one of the villages affected by the Project in Khulo municipality. According to the official statistics, there are 44 permanently residing households there, 167 residents living in the village. The Project acquired land plots in this area for SDA 23.

Project Map and Photos before construction in Ghurta



7.11.1 Land Acquisition and Compensation

In total, 29,531 sq. m. were acquired from seven families in Ghurta, and all of it has been restored to the initial state after the construction works, and these areas are available for public use now.

Tables 54 and 55 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 54 – Acquired Lands from Private Owners/Users in Ghurta by its type

Type of Land	Area m ²
River Slope	11,242
Grazing	18,289
TOTAL	29,531

Table 55 – Acquired Lands from Private Owners/Users in Ghurta – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
SDA 23	9,742	9,742	0	
SDA 23	19,789	19,789	0	
TOTAL	29,531	29,531	0	

All compensated 7 AHs are categorised by vulnerability and impact type. No AHs in Ghurta were categorised as vulnerable by the baseline study. There are three severely affected households. Table 56 below presents the impact of the Project on all affected households in Ghurta:

Table 56 – Impacted Households in Ghurta by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	0
Households impacted by 10% or more	4
Households impacted by more than 50%	3
Total Number of AHs	7

In total, three out of seven impacted households were interviewed in Ghurta village for the study. No interviewed AH was under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of two interviewed households has increased (one of whom used to be under the poverty line in 2012). The income of one AH has decreased, considering the official inflation rate of 32.31% in the

country. Notwithstanding the decrease in income, the AH bought a house and land and received higher value and more productivity than the land they used to own. On average, interviewed AHs earned 867 GEL per month in 2012 before the Project, while they report getting on average 1100 GEL per month in 2021.

Livelihoods of all affected households in Ghurta village can be assessed as restored, considering the data recorded on all severely affected households (there were no vulnerable AH according to the baseline study). Furthermore, all acquired land were also restored to the initial state and are available for public use for the benefit of local inhabitants. Table 57 below presents an assessment of Project impact on interviewed nine households in Ghurta village:

Table 57 – Assessment of Interviewed Impacted Households in Ghurta village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
80	800	1056	600	Decreased Income				More than 50% - River Slope		Assessed to have restored the HH livelihood as they purchased a house and land which is providing income.
81	300	396	500	Increased Income	Under Poverty Line			More than 50% Pasture		Assessed to have restored the HH livelihood as the family income has increased after the project.
82	1500	1980	2200	Increased Income				More than 50% - Pasture	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in cattle breeding and were given financing for purchasing a cow.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
AVERAGE	867	1094	1100							

7.11.2 Grievances

In total, the Project received 69 grievances from the residents of Ghurta, most of which related to damage to the house and requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.11.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All seven AHs in Ghurta whose land plots were acquired individually were given livelihood support of their choice, and only three attended the training. Two households attended training on beekeeping, and they were given beehives. One household attended the training on hazelnut production, and they were given hazelnut saplings.

7.11.4 Employment and Other Benefits of the Project

During the construction period, 37 people from Ghurta village were employed by the Project. Furthermore, 32 affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Ghurta:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

Small business grants were given to three beneficiaries in the village. No social and community projects were implemented in Ghurta for additional support of livelihoods because there was no consensus among the villagers on accepting support.

7.12 Vashlovani Village

Vashlovani is one of the villages affected by the Project in Khulo municipality. According to the official statistics, there are 342 permanently residing households there, 1427 residents living in the village. The Project acquired land plots in this area for SDA 4 and Vashlovani Adit.

Project Map and Photos before construction in Vashlovani



7.12.1 Land Acquisition and Compensation

In total, 34,258 sq. m. were acquired from five families in Vashlovani, and all of it has been restored to the initial state after the construction works, and these areas are available for public use now. 6,507 sq. m. of state lands were acquired by the Project in Vashlovani. It should be noted here that 1,739 sq. m. states lands have also been restored for public use.

Tables 58 and 59 show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 58 – Acquired Lands from Private Owners/Users in Vashlovani by its type

Type of Land	Area m ²
Forest	15,591
Arable	18,667
TOTAL	34,258

Table 59 – Acquired Lands from Private Owners/Users in Vashlovani – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
SDA 4	15,591	15,591	0	
SDA 4	18,667	18,667	0	
TOTAL	34,258	34,258	0	

Five compensated AHs were categorised by vulnerability and impact type. No AHs in Vashlovani were categorised as vulnerable by the baseline study. There are no severely affected households. Table 60 below presents the impact of the Project on all affected households in Vashlovani:

Table 60 – Impacted Households in Vashlovani by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	3
Households impacted by 10% or more	2
Households impacted by more than 50%	0
Total Number of AHs	5

In total, three out of five impacted households were interviewed in Vashlovani village for the study. None of the interviewed AHs was under the poverty line in 2021 based on reported income, meaning the family getting less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of all interviewed households has increased by 57%, higher than the official inflation rate of 32.31% in the country. On average, interviewed AHs earned 533 GEL per month in 2012 before the Project, while they reported getting 1233 GEL per month in 2021.

Livelihoods of all affected households in Vashlovani village can be assessed as restored, considering the data recorded on all interviewed households (there were no vulnerable or severely impacted AH in the village according to the baseline study). Furthermore, all acquired land were also restored to the initial state and are available for public use for the benefit of local inhabitants. Table 61 below presents an assessment of Project impact on interviewed nine households in Vashlovani village:

Table 61 – Assessment of Interviewed Impacted Households in Vashlovani village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
23	400	528	1000	Increased Income				- Less than 10% Forest	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.
35	600	792	1200	Increased Income				- Less than 10% Forest	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in cattle breeding and were given financing for purchasing a cow.
43	600	792	1500	Increased Income				- Less than 10% Forest		Assessed to have restored the HH livelihood as the family income has increased after the project.

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
AVERAGE	533	704	1233							

7.12.2 Grievances

In total, the Project received 132 grievances from the residents of Vashlovani, most of which related to damage to the house and requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.12.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All AHs in Vashlovani whose land plots were acquired individually were offered livelihood support of their choice, and four attended the training. One household attended training on beekeeping, and they were given beehives. One household attended the training on hazelnut production, and they were given hazelnut saplings, while two AHs attended the training on cattle breeding and were given financial support to purchase the cows.

7.12.4 Employment and Other Benefits of the Project

During the construction period, 22 people from Vashlovani village were employed by the Project. Furthermore, small business grants were given to five beneficiaries in the village. In total, 88,220 GEL was spent by the Project on the following social and community projects implemented in Vashlovani to support their livelihoods:

- ✓ *Approximately 3 km of village's road was gravelled;*
- ✓ *The public schoolyard was rehabilitated;*
- ✓ *Approximately 1 km of village's road was gravelled;*
- ✓ *Construction Material for rehabilitation of water system was provided;*
- ✓ *A Gabion was built in the village;*
- ✓ *The Water system was rehabilitated.*

7.13 Skhepi Village

Skhepi is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, there are 52 permanently residing households there, 190 residents living in the village. The Project acquired land plots in this area for SDA 6 and Explosives Area Shuakhevi.

Project Map and Photos before construction in Skhepi



7.13.1 Land Acquisition and Compensation

In total, 31,327 sq. m. were acquired from six families in Skhepi, and all of it has been restored to the initial state after the construction works and these areas are available for public use now. 1,469 s.q. m. of state lands was acquired by the Project in Vashlovani, which were also restored for public use.

Tables 62 and 63 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 62 – Acquired Lands from Private Owners/Users in Skhepi by its type

Type of Land	Area m ²
Forest	13,918
Arable	17,409
TOTAL	31,327

Table 63 – Acquired Lands from Private Owners/Users in Skhepi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
SDA 6	12,415	12,415	0	
Explosives Area Shuakhevi	18,912	18,912	0	
TOTAL	31,327	31,327	0	

All six AHs were categorised by vulnerability and impact type. No AHs in Skhepa were categorised as vulnerable by the baseline study. There are two severely affected households there. Table 64 below presents the impact of the Project on all affected households in Skhepi:

Table 64 – Impacted Households in Skhepi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	2
Households impacted by 10% or more	2
Households impacted by more than 50%	2
Total Number of AHs	6

In total, two severely impacted households out of six AHs were interviewed in Skhepi village for the study. None of the acquired AH is under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of all interviewed households has increased by 64%, higher than the official inflation rate of 32.31% in

the country. On average, interviewed AHs earned 775 GEL per month in 2012 before the Project, while they reported getting 2130 GEL per month in 2021.

Livelihoods of all affected households in Skhepi village can be assessed as restored, considering the data recorded on all interviewed households (there were no vulnerable AHs in the village according to the baseline study). Furthermore, all acquired were also land restored to the initial state and are available for public use for the benefit of local inhabitants. Table 65 below presents an assessment of the Project impact on interviewed nine households in Skhepi village:

Table 65 – Assessment of Interviewed Impacted Households in Skhepi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
24	350	462	2660	Increased Income	Under Poverty Line			- More than 50% Arable	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in nut production and were given nut saplings for livelihood restoration.
25	1200	1584	1600	Increased Income				- More than 50% Arable	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in nut production and were given nut saplings for livelihood restoration.
AVERAGE	775	1023	2130							

7.13.2 Grievances

In total, the Project received 28 grievances from the residents of Skhepi, most of which related to damage to the house and requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.13.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All AHs in Skhepi whose land plots were acquired individually were offered livelihood support of their choice, and three attended the training. One household attended the training on hazelnut production, and they were given hazelnut saplings, while two AHs attended the training on cattle breeding and were given financial support to purchase the cows.

7.13.4 Employment and Other Benefits of the Project

During the construction period, only one person from AH from Skhepi village was employed by the Project. No other community or social projects were financed by the Project in this village.

7.14 Gorkhanauli Village

Gorkhanauli is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, there are only seven permanently residing households there. The Project acquired land plots in this area for SDA 7 and SDA 7A.

Project Map and Photos before construction in Gorkhanauli



7.14.1 Land Acquisition and Compensation

In total, 28,000 sq. m. were acquired from four families in Gorkhanauli, and all of it has been restored to the initial state after the construction works, and these areas are available for public use now.

Tables 66 and 67 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 66 – Acquired Lands from Private Owners/Users in Gorkhanauli by its type

Type of Land	Area m ²
Forest	13,546
Arable	14,454
TOTAL	28,000

Table 67 – Acquired Lands from Private Owners/Users in Gorkhanauli – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
SDA 7 A	19,695	19,695	0	
SDA 7	8,305	8,305	0	
TOTAL	28,000	28,000	0	

The four AHs were categorised by vulnerability and impact type. No AHs in Gorkhanauli were categorised as vulnerable by the baseline study. Table 68 below presents the impact of the Project on all affected households in Gorkhanauli:

Table 68 – Impacted Households in Gorkhanauli by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	0
Households impacted by 10% or more	4
Households impacted by more than 50%	0
Total Number of AHs	4

In total, two out of four AHs were interviewed in Gorkhanauli village for the study. None of the acquired AH is under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of all interviewed households has increased since 2012. On average, the interviewed AHs earned 2200 GEL per month in 2012 before the Project, while they report getting on average 2950 GEL per month in 2021, which is a little higher than the official inflation rate in the country.

Livelihoods of all affected households in Gorkhanauli village can be assessed as restored, considering the data recorded on all interviewed households (there were no vulnerable AHs in the village according to the baseline study). Furthermore, all acquired land were also restored to the initial state and are available for public use for the benefit of local inhabitants. Table 69 below presents an assessment of the Project impact on interviewing two households in Gorkhanauli village:

Table 69 – Assessment of Interviewed Impacted Households in Gorkhanauli village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
31	2000	2640	2700	Increased Income				10% or more - Non-productive	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in nut production and were given nut saplings for livelihood restoration.
34	2400	3168	3200	Increased Income				10% or more - Arable	Nut production	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in nut production and were given nut saplings for livelihood restoration.
AVERAGE	2200	2904	2950							

7.14.2 Grievances

In total, the Project received 21 grievances from the residents of Gorkhanauli, most of which related to damage to the house and requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.14.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All AHs in Gorkhanauli whose land plots were acquired individually were offered livelihood support of their choice, and all of them attended the training on hazelnut production and were given hazelnut saplings.

7.14.4 Employment and Other Benefits of the Project

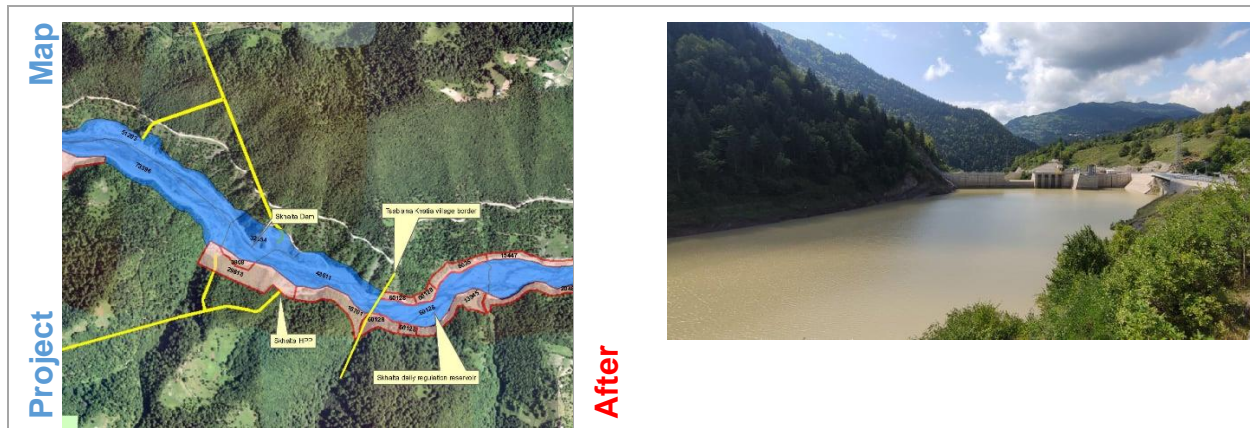
During the construction period, people from all four AHs in Gorkhanauli village were employed by the Project. In total, 121,630 GEL was spent by the Project on the following social and community projects implemented in Gorkhanauli to support the livelihoods there:

- ✓ *The water system was repaired;*
- ✓ *Water drainage channels were arranged.*

7.15 Geladzeebi Village

Geladzeebi is one of the villages affected by the Project in Khulo municipality. According to the official statistics, there are 84 permanently residing households, 328 people living in the village. The Project acquired land plots in this area for the Didachara reservoir.

Project Map and Photos before construction in Geladzeebi



7.14.1 Land Acquisition and Compensation

In total, 10,470 sq. m. were acquired from two families in Geladzeebi, and none of it has been restored to the initial state after the construction works.

Tables 70 and 71 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 70 – Acquired Lands from Private Owners/Users in Geladzeebi by its type

Type of Land	Area m ²
Arable	5,321
Meadow	5,149
TOTAL	10,470

Table 71 – Acquired Lands from Private Owners/Users in Geladzeebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Didachara reservoir (+buffer zone)	10,470	0	10,470	
TOTAL	10,470	0	10,470	

All compensated AHs were categorised by vulnerability and impact type. No AHs in Geladzeebi were categorised as vulnerable by the baseline study. There is only one severely impacted household there. Table 72 below presents the impact of the Project on all affected households in Geladzeebi:

Table 72 – Impacted Households in Geladzeebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	0
Households impacted by 10% or more	1
Households impacted by more than 50%	1
Total Number of AHs	2

In total, one out of two AHs were interviewed in Geladzeebi village for the study. None of the acquired AH is under the poverty line in 2021 based on reported incomes, meaning the family getting less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of interviewed households has increased since 2012 by 75%, which is higher than the country's official inflation rate of 32.31%. The interviewed AH earned 150 GEL per month in 2012 before the Project, while they report getting 600 GEL per month in 2021. It should be mentioned here that the income of an interviewed family in 2012 was lower than the national subsistence minimum.

Livelihoods of all affected households in Geladzeebi village can be assessed as restored, considering the data recorded on severely affected households (there were no vulnerable AHs in the village according to the baseline study). Table 73 below presents an assessment of the Project impact on interviewed AH in Geladzeebi village:

Table 73 – Assessment of Interviewed Impacted Households in Geladzeebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
71	150	198	600	Increased Income	Under Poverty Line			More than 50% - Arable	Cattle breeding	Assessed to have restored the HH livelihood as the family income has increased after the project.

7.15.2 Grievances

In total, the Project received 36 grievances from the residents of Geladzeebi, most of which related to damage to the house and requests for additional compensation. Some of the households were given additional compensation for damage to the houses based on an assessment by public representatives.

7.15.3 Livelihood Restoration

The Project team interviewed all affected households who sold land plots to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. All AHs in Geladzeebi whose land plots were acquired individually were offered livelihood support of their choice, and one of them attended the training on hazelnut production and was given hazelnut saplings.

7.15.4 Employment and Other Benefits of the Project

During the construction period, 16 people from Geladzeebi village were employed by the Project. Furthermore, four affected residents attended vocational training (skills training with certification in practical skills for employment). Additionally, the following educational and awareness-raising projects were implemented for affected people in Geladzeebi:

- ✓ *Awareness-raising project on road safety;*
- ✓ *Awareness-raising training on healthcare;*
- ✓ *Students' Scholarship Program;*
- ✓ *English language prep course for the university examination;*
- ✓ *Educational pilot project;*

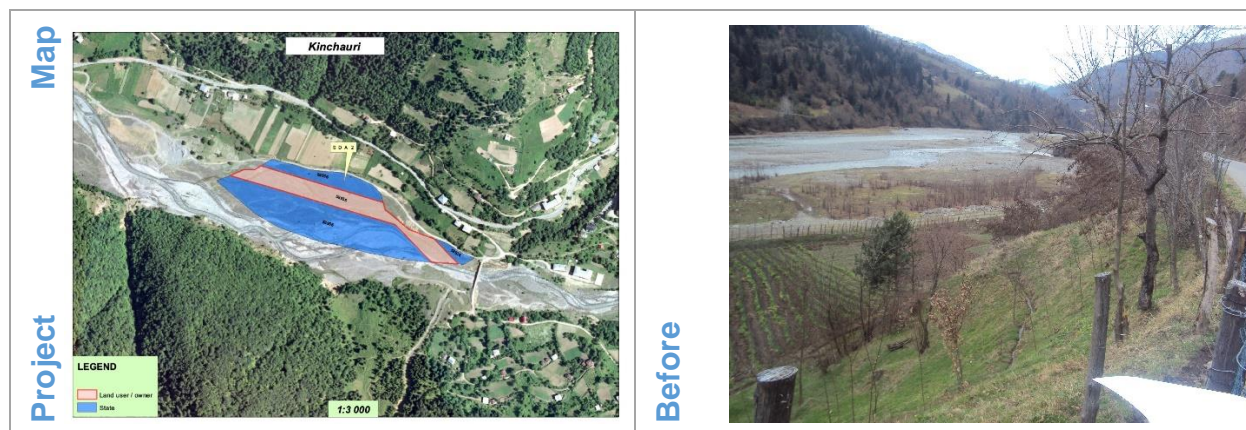
In total, 13,842 GEL was spent by the Project on the following social and community projects implemented in Geladzeebi to support the livelihoods there:

- ✓ *Approximately 3 km of the village's road was gravelled;*
- ✓ *The water supply system was rehabilitated.*

7.16 Mosiashvilebi Village

Mosiashvilebi is one of the villages affected by the Project in Keda municipality. According to the official statistics, there are 39 permanently residing households comprising 169 people living in the village. The Project acquired land plots in this area for the Khichauri camp.

Project Map and Photos before construction in Mosiashvilebi



7.16.1 Land Acquisition and Compensation

In total, 11,928 sq. m. were acquired from one family in Mosiashvilebi, and all of it has been restored to the initial state after the construction works.

Tables 74 and 75 below show land areas by type and status (acquired by the project permanently or only for temporary use to be rehabilitated back to productive land).

Table 74 – Acquired Lands from Private Owners/Users in Mosiashvilebi by its type

Type of Land	Area m ²
Grazing	11,928
TOTAL	11,928

Table 75 – Acquired Lands from Private Owners/Users in Mosiashvilebi – Permanently Acquired and Restored and available for public use

Purpose of the Purchase	Area m ²	Restored after construction works and available for local use m ²	Occupied by project infrastructure m ²	Notes
Khichauri camp	11,928	11,928	0	
TOTAL	11,928	11,928	0	

There is only one AH in Mosiashvilebi who was not categorized as vulnerable by the baseline study and who is not severely affected by the Project. Table 76 below presents the impact of the Project on the AH in Mosiashvilebi:

Table 76 – Impacted Households in Mosiashvilebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	0
Households impacted by 10% or more	1
Households impacted by more than 50%	0
Total Number of AHs	1

The interviewed AH in Mosiashvilebi is not under the poverty line in 2021 based on reported income, meaning the family does not get less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of the interviewed household has increased since 2012 by 75%, which is much higher than the country's official inflation rate of 32.31%. The interviewed AH earned 450 GEL per month in 2012 before the Project, while they report getting 1800 GEL per month in 2021.

The livelihood of the AH in Mosiashvilebi village can be assessed as restored. Table 77 below presents an assessment of Project impact on interviewed AH in Mosiashvilebi village:

Table 77 – Assessment of Interviewed Impacted Households in Mosiashvilebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
22	450	594	1800	Increased Income				10% or more - Pasture	Beekeeping	Assessed to have restored the HH livelihood as the family income has increased after the project. They were provided training in beekeeping and were given beehives for livelihood restoration.

7.16.2 Grievances

In total, the Project received two grievances from the residents of Mosiashvilebi regarding compensation on other land areas. The case was studied, and the owner was rejected as there was no impact on the other areas.

7.16.3 Livelihood Restoration

The Project team interviewed all AHs, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. They were offered livelihood support of their choice, and the AH attended the training on beekeeping and were given beehives.

7.16.4 Employment and Other Benefits of the Project

During the construction period, six people from Mosiashvilebi village were employed by the Project. The Project in this village financed no other community or social projects because of the low scale of impact there.

7.17 Beselashvilebi Village

Beselashvilebi is one of the villages affected by the Project in Shuakhevi municipality. According to the official statistics, there are 28 permanently residing households there, 143 residents living in the village. The Project acquired land plots in this area for Lower Edit.

7.16.1 Land Acquisition and Compensation

In total, only 320 sq. m. were acquired from one family in Beselashvilebi by the Project. Table 78 below show areas of land by their types.

Table 78 – Acquired Lands from Private Owners/Users in Beselashvilebi by its type

Type of Land	Area m ²
Grazing	320
TOTAL	320

There is only one AH in Beselashvilebi who was not categorized as vulnerable by the baseline study and who is not severely affected by the Project. Table 79 below presents the impact of the Project on the AH in Beselashvilebi:

Table 79 – Impacted Households in Beselashvilebi by vulnerability and impact degree

Type of AHs	Number of Impacted Households
Vulnerable Households	0
Households impacted by less than 10%	1
Households impacted by 10% or more	0
Households impacted by more than 50%	0
Total Number of AHs	1

The interviewed AH in Beselashvilebi is not under the poverty line in 2021 based on reported income, meaning the family does not get less income than identified Subsistence Minimum of a household in the country by National Statistics Office of Georgia: <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>. The income of the interviewed households has not changed considering the country's official inflation rate of 32.31%. The interviewed AH earned 1500 GEL per month in 2012 before the Project, while they report getting 1980 GEL per month in 2021.

The livelihoods of the AH in Beselashvilebi village can be assessed as restored. Table 80 below presents an assessment of the Project impact on interviewed AH in Beselashvilebi village:

Table 80 – Assessment of Interviewed Impacted Households in Mosiashvilebi village

AH N	Average Monetary Monthly Income of AH before the Project - in 2012	Adjusted for Inflation (cost of living change from 2012 to 2021)	Average Monetary Monthly Income of AH after the Project in 2021	Type of change since 2012	Under Poverty Line in 2012	Under Poverty Line in 2021	Vulnerability by Baseline Study	Type of land impacted & % of overall land lost to the project	Livelihood Benefit provided to the HH	Assessment of Income & Livelihood Restoration & recommendation
87	1500	1980	1980	Income has not changed				Less than 10% - Pasture	Beekeeping	Assessed to have restored the HH livelihood as the family conditions have not been changed and the impact of the project was very low. They were provided training in beekeeping and were given beehives for livelihood restoration.

7.17.2 Grievances

In total, the Project received six grievances from the residents of Beselashvilebi, which were on the loss of access road towards the pastures. AGE Batumi LLC technical team arranged a road near the spoil disposal area so that locals could use it to access their land plots.

7.17.3 Livelihood Restoration

The Project team interviewed the AH who sold the land plot to the Project, and they were presented with options based on their capacity. These included training and materials for beekeeping, cattle breeding, and the production of nut trees. They were offered livelihood support of their choice, and the AH attended the training on beekeeping and were given beehives.

7.17.4 Employment and Other Benefits of the Project

During the construction period, seven people from Beselashvilebi village were employed by the Project. The Project in this village financed no other community or social projects because of the low scale of impact there.