

Annex III to Addendum to the Land
Acquisition and Livelihood Restoration Plan of
the 35kV OTL to avoid overlap with the 220kV
OTL

November 2022

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Acronyms & Abbreviations

ADB	Asian Development Bank
AGL	Adjaristsqali Georgia LLC
AH	Affected Household
AP	Affected Person
E&S	Environment and Social
EBRD	European Bank for Reconstruction and Development
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
GDP	Georgian Dynamic Power Ltd
IFC	International Finance Corporation
km	kilometer
kV	kilovolt
LALRP	Land Acquisition and Livelihood Restoration Plan
LAR	Land Acquisition and Resettlement
m	meter
MEPA	Ministry of Environmental Protection and Agriculture (of Georgia)
OTL	Overhead transmission line
RAP	Resettlement Action Plan
RoW	Right of Way
SES	Socio-economic survey
Sq.m.	Square meter

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1 Introduction

In 2020 AGL completed the construction of the Skhalta-Shuakhevi 35kV Overhead Transmission Line (OTL) (“the Project”) and commissioned the line in the same year. The Project represents a 22.3 km long single circuit transmission line constructed between two separate hydropower stations – Skhalta and Shuakhevi, it allows to transmit the generated electricity from the Skhalta HPP into the 220kV network owned and operated by the Georgian State Electrosystem (GSE).

The construction of the 35kV OTL Project started in 2016. Tbilisi-based company New Metal Georgia (herein NMG¹) was selected as a contractor for the Project. The 35kV OTL was designed without disturbing the proposed segment 1 of the 220kV Akhaltsikhe-Batumi Transmission Line constructed and operated by the GSE. Construction of the 220kV OTL proceeded in two stages: in the first stage, the Shuakhevi HPP was connected to the Batumi Substation and in the second stage – to the Akhaltsikhe Substation.

Since the 35kV line construction belongs to 4th class transmission line as per the legislation of Georgia, Shuakhevi and Khulo Municipalities issued conditional construction permits for using land plots for the tower construction. An Environmental Impact Assessment (EIA) was conducted in 2017 and ecological expertise conclusion N26 was issued on April 20th of 2017. The OTL has been operational since 2021. The Project has gone through several changes and corresponding land documents have been developed, in particular:

1. The overall Addendum to LALRP was prepared in 2017 describing the overall temporary and partial land impact and acquisition process in the project.
2. In 2019 an Annex to the Addendum to the LALRP was prepared describing relocation of the households from the condemned Kommshen building as the house fell into the buffer zone of the OTL.
3. In 2019 a need for relocation of 1km route was envisaged as the company failed to reach mutual agreement over the acceptable compensation for usage and acquisition of respective land plot, as a result an Annex to the LALRP Addendum for route re-alignment in Furtio village was developed.
4. In 2020 AGL developed a Completion Report of the land plots not covered by the original LALRP Addendum which were acquired at certain locations to improve the stability of line and enhance the reliability during the operations.

All the above documents are disclosed at AGL’s website: <http://agl.com.ge/new/public-disclosure/> and ADB’s website: <https://www.adb.org/projects/47919-014/main>.

This Annex III to the LALRP Addendum covers land acquisition required for the relocation of five existing towers and erection of two additional towers, namely 99A and 104A, to avoid overlapping with the 220kV OTL Project.

¹ In 2018 NMG founded a second company Georgian Dynamic Power LLC (GDP). The Company remained the same staff however the scope of work differs, relocation activities for the 35kV OTL to avoid overlap with 220kV OTL will be undertaken by GDP.

The present Annex has been prepared in accordance with the principles determined in the 2014 LALRP, and therefore is in accordance with the Lenders' requirements, namely,

- IFC Performance Standard 5 – Land Acquisition and Involuntary Resettlement (IFC PS5),
- EBRD's Performance Requirement 5 - Land Acquisition, Involuntary Resettlement, and Economic Displacement (EBRD PR5), and
- ADB's Safeguard Requirement 2 – Involuntary Resettlement (ADB SR2).

This Annex includes information on the land acquisition, asset valuation and compensation for households whose land plots are affected by the 35 kV line relocation works. This re-routing will not trigger any physical displacement.

1.1 Project Description

In 2016, New Metal Georgia, now referred to as GDP, was assigned as the construction contractor ('the Contractor') of the 35kV OTL Project. In 2021, following the commissioning of the Project it became known that the GSE line route overlaps with the route of the 35kV line in some sections located in Shuakhevi Municipality. AGL undertook a technical/engineering study and requested AGL's designers to prepare alternative routes to avoid the overlap. These options were discussed in detail with the GSE 220kV OTL Project Team, and as a result, the relocation of five towers became necessary, alongside installing two more towers: namely, 99A and 104A. AGL will obtain all needed permits for the relocation of five towers.

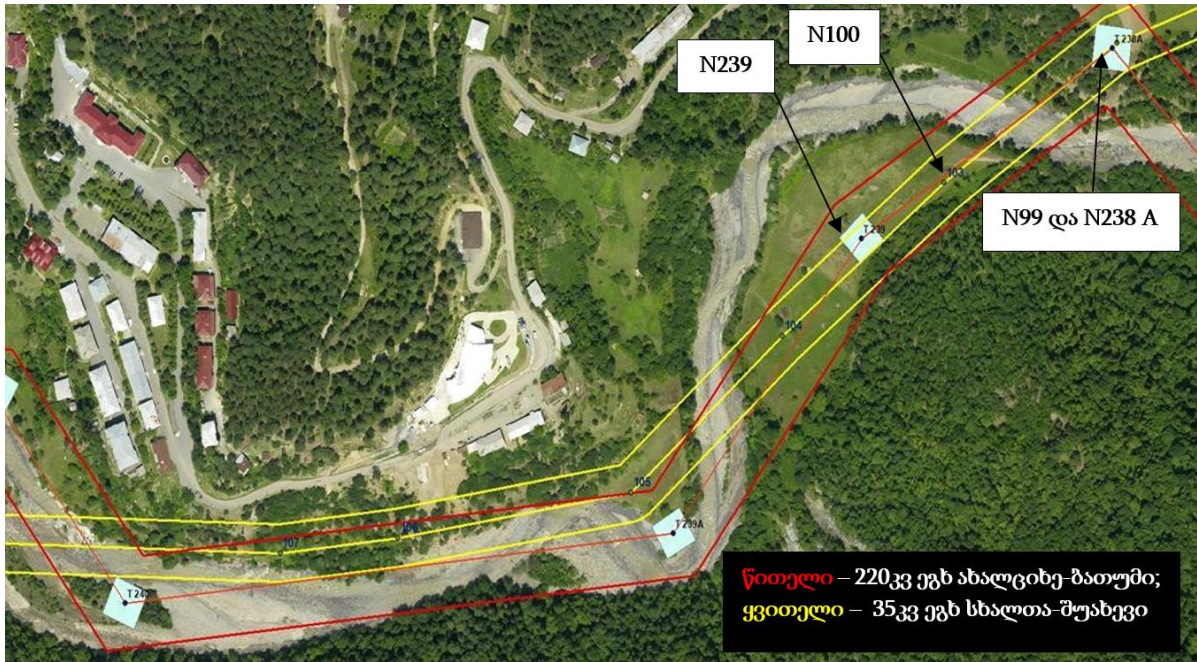
On February 18, 2022, AGL applied to the Ministry of Environmental Protection and Agriculture (MEPA) with the Screening Application about the changes of exploitation conditions of the 35kV OTL project. The MEPA decided that the relocation of the exiting towers and installation of additional ones should be subject to the EIA procedure. Following submission of the Scoping Report, on June 29, 2022, the MEPA organized and conducted a public hearing at the administrative building of Shuakhevi Municipality. Affected landowners/users, community heads and AGL representatives attended the hearing. The Scoping Decision was approved, and the next stage is the preparation of the EIA Report. AGL commissioned Gamma Consulting to conduct the EIA and prepare the EIA report.

1.2 Changes in the OTL Corridor

As the finalized route of the 220kV OTL coincides with the 35kV OTL in three sections due to which there is an overlap issue observed between the 220kV OTL and 35kV OTL. AGL and GSE have carried out several discussions with the GSE 220kV OTL project team and an optimal re-routing of the 35kV line have been proposed to divert the lines. The proposed changes are not significant, five towers are required to be relocated and two additional towers to be introduced namely 99A and 104A in Shuakhevi Municipality. In particular:

1. Tower N99 will be lowered from the current location about 50m towards the Adjaristsqali river side and will be located on a rocky outcrop at a distance of 10m from the river. The area where the tower will be shifted is state owned, not covered with vegetation and fertile soil layer.

Figure 1. 35kV OTL and 220kV OTL Towers



Red – 220kV OTL with its buffer zone; yellow – 35kV OTL with its buffer zone.

Figure 2.: Existing and proposed design route of the 35 kV Skhalta - Shuakhevi OTL (between towers NN 97 and 102)



Purple– existing route of the 35kV OTL; blue– proposed re-routing of the 35kV OTL

2. 99A tower will be added between Towers N99 and N100 and will be located in a geologically suitable place 20m away from the Adjaristsqali riverbed (**Figure 2**). It cannot be affected by any natural hazards (flooding, erosion, landslide, mudslide). The tower will be located on state owned land.
3. Tower N100 will be shifted by 100m to the Adjaristsqali river alluvion, on the left bank of the river (**Figure**

- 3). The tower will be 40m away from the river. There are no risks of foundation washing or other damage caused by erosion or flooding. The tower will be located on a private land plot. The tower will be relocated to state owned and private land.
- 4. Tower N101 will be shifted by 30m within the similar engineering-geological condition, no vegetation in this area (Figure 3). The tower will be relocated to state owned land.

Figure 3: Towers N100 and N101 will be moved to the points shown on the Figure



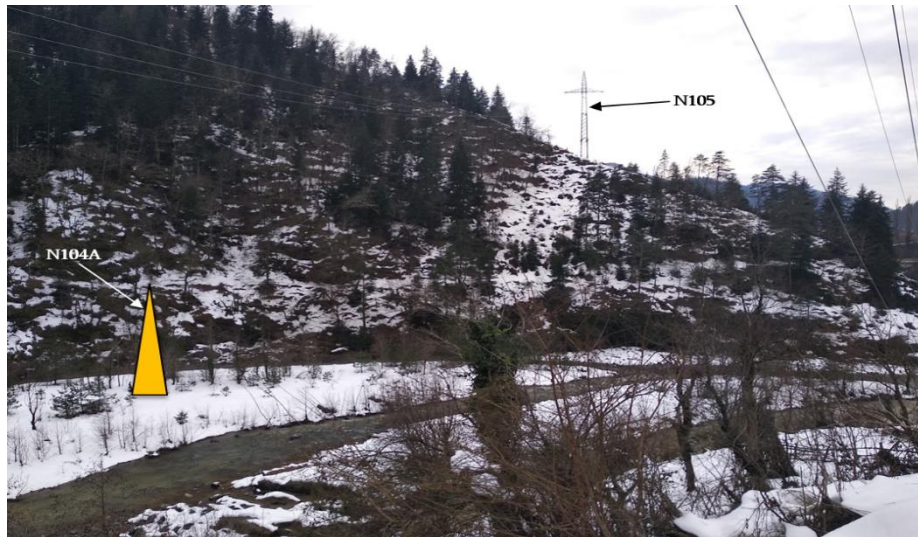
- 5. New Tower N104A will be added between Towers N104 and N105 so that the 35 kV transmission line wires will run from the bottom of the 220 kV line wires to increase the distance between the towers, thus solving the existing problem and meeting the safety requirements (Figures 4 and 5).

Figure 4: Existing and proposed sections of the 35 kV Skhalta-Shuakhevi OTL (between towers NN 103 and 106)



Purple– existing route; blue– proposed re-routing

Figure 5: Location where Tower N104A will be added



6 and 7. Similar situation is observed between Towers N115 and N116, therefore to avoid the overlap and ensure safe distance the following changes are planned:

- Tower N115 will be relocated by about 6 m (**Figure 4**);
- Tower N116 will be relocated by about 20 m away from the Adjaristsqali river (**Figure 4**).

It should be noted that the towers are located close to residential houses, however outside the regulatory buffer zone - the distance is more than 20 m from the edge of tower (lateral conductor) N115, and more than 30 m for tower N116 (the Right of Way or a buffer zone for the 35 kV OTL is 15 m to both sides²). The locations of the towers are of a similar type to the current ones in terms of engineering-geological conditions. According to the design changes, they will be 6 and 20 m away from the Adjaristsqali river. Vegetation and fertile soil layer are not present here. There is no risk of damage by flood, erosion, mudslides and other types of natural hazards.

N115 and N116 towers will be relocated within the corridor under the RoW of AGL, the other towers are beyond the AGL buffer zone.

² As per the Order N366 of the Government of Georgia adopted on December 24, 2013 the Right of Way (RoW) for a 35kV OTL shall be 15m. <https://matsne.gov.ge/ka/document/view/2156434?publication=0>

1.3 Land impact description

The relocation of the five existing towers and construction of two new towers will take place in three villages located in Shuakhevi Municipality, namely: Daba Shuakhevi, Dabadzveli, and Nenia³.

Table 1 Location of the project components by villages and type of new impacts

Area / Village	Towe relocation	New tower erection	Servitude (easement)
Gorkhanauli, Daba Shuakhevi	1	0	✓
Daba Shuakhevi	0	1	✓
Didsavardia, Daba Shuakhevi	1	1	✓
Nenia	2	0	✓
Dabadzveli	1	0	✓

The land acquisition process will be carried out as per the 35kV line Addendum to the LARLP and in line with Lenders' requirements. It will be based on a fair and unbiased valuation of land plots and other assets. To ensure land owners/users' satisfaction, AGL will use a standard 10% mark-up to the market price only for the permanent impact.

The relocation and construction of the towers affects 23 land parcels owned and used by 18 affected households (AHs). In total, 18,443sq.m of agricultural land will be affected by the change, where 554sq.m is for the tower footprint, and 17,889sq.m. for easement.

Table 2 Number of AHs per village:

Village name	N of affected households
Daba Shuakhevi	9
Dabadzveli	3
Nenia	6

Table 3 below summarizes the route change impact.

³ Gorkhanauli is a district, Didsavardia is a toponym of the area, and both belong to Daba Shuakhevi village.

Table 3 Land impact summary

Loss category	N of land plots	N of AHs	N of land plots under Tower Footprint	N of AHs owning/using land under Tower Footprint	N of land plots under easement	N of AHs owning/using land under easement	Area under tower footprint (sq.m.)	Area under easement (sq.m.)	Total affected area
General information	26⁴	18	8	7	26	18	554	18,042	18,596
Private ownership	5	4	1	1	4	4	65	2,010	2,075
State owned land	21	18	7	7	21	18	489	16,032	16,521

The route change affects only land plots. No fruit bearing trees, perennial crops and/or structures are affected by this change. Out of 18 affected landowners/users, only four AHs are new, while the remaining are those who were covered by the original 35kV line Addendum to the LALRP.

During the preparation process of this Annex the following works were implemented:

- Inventory studies of assets affected by the changes to the route and their valuation was conducted in November 2021.
- socio-economic survey of four AHs (face to face) to establish their baseline conditions was conducted in January and February 2022.
- The eligibility cut-off date was declared as November 26, 2021 (i.e., the completion date of the inventory studies), and this was communicated to the AHs during the individual meetings.

1.4 Organization of this Annex to the LALRP Addendum

The Annex is organized in the following way:

- Section 2 Socio-economic profile of affected households describes socio-economic condition and context of four new households
- Section 3 Land acquisition process' discusses the process and institutional framework for managing impacts and the entitlement matrix
- Section 4 Grievance management and redress' sets out processes and procedure to allow communities to raise concerns

⁴ The number of affected households does not sum up precisely, as one household owns/uses both private and state owned land plots.

- Section 5 Livelihood restoration’ suggests actions to go beyond compensation to enhance livelihood restoration and contribute to the well-being of the AHs
- Section 6 Budget and chronology’ discusses the budget allocated for land and chronology of land acquisition

2 Socio-economic profiles of affected households

As stated above, only four households were identified as new, while others were covered during the earlier socio-economic studies.

Face-to-face interviews with the four AHs were conducted by AGL in January and February 2022. The instrument for data collection was the same as used earlier for the socio-economic studies for the households affected by the 35kV OTL. The instrument included the major socio-economic features of the APs, namely ethnicity, education level, modes of livelihood, and sources of income etc. The SES instrument is provided in Annexure 1 to this Annex. The information below describes the socio-economic conditions of the AHs.

Affected Household N1 lives in Gorkhanauli. There are two members in the family: a 70-year-old mother and a son of 32 years old, who for temporary works travels to Poland sometimes. A mother lives alone, she is a pensioner however, she still works as a cook at the Orphan Children's House. Her salary is 200GEL and a pension 370GEL. The family owns a 2000sq.m land plot in Gorkhanauli apart from the land which will be acquired by AGL. They cultivate agricultural product mainly for domestic consumption. The son supports his mother and participates in the agricultural activities when he is in Georgia. The land affected by the Project is located close to the riverbed, not used productively by the family.

The family lives in a wooden house. They have all necessary devices such as fridge, TV, washing machine, and cell phone. There is running water in the house and in the yard, electricity and natural gas, for heating they use timber. As the house is located close to the central road and the municipality center, they have easy access to local clinics, hospitals, kindergarten and public schools. Her attitude towards the project is generally positive and she believes consider that the project has neither positive nor negative impact on socio-economic condition of the municipality.

Affected Household N2 is from Gorkahnauli, Daba Shuakhevi village, but currently lives in Batumi and they visit the village only in summer. There are five members in the family: a landowner, a 67-year-old woman - head of the household, a pensioner; her son (40 years old), a daughter-in-law (38 years old) and two grandchildren, of pre-school and school age. The family owns an apartment in Batumi. The only income for the family is salary (from state) and pension, they do not receive any other assistance from the government. The total income comprises 740GEL monthly, which is slightly higher than annual amount defined by the minimum basket for a five-member family in Georgia (according to the data of 2021 National Statistics Office of Georgia). They spend 400GEL on food and the rest for other needs.

The family owns 0.5ha agricultural land plot in the village, however, they do not cultivate it and the family in general rarely visits the village. There are no informal users of the land nor are there any productive crops or trees. The land affected by the Project is located close to the riverbed, not used productively by the family.

The family has all the appliances facilities at Batumi home such as TV, mobile phones, internet, washing machine, refrigerator. They have 24-hour running water and central sewage system, electricity and natural gas. Since the family lives in the city, they have easy access to all infrastructure facilities.

Affected Household N3 – There is one member, a woman of 71 years old. She is a widow and has seven daughters, all her children are married and currently she lives alone. She is a pensioner, and her main income is a monthly pension 360GEL, out of it she spends 160GEL on food and 200GEL on other expenses. She owns a two-story stone house in Gorkhanauli, there are TV set, mobile phone, washing machine and refrigerator in the house. She has electricity and uses wood for heating. She has 2ha of agricultural land plot (including pasture and mowing land) in the village. She has one cow. This household can be regarded as a single-member, female pensioner headed household. The land affected by the Project is located close to the riverbed, not used productively by the family.

Affected Household N4 – There is one member, 51-year-old single man in the family. He has only one sister and together with his sister's family lives in Batumi. He owns around 2,500 agricultural lands (including pasture, mowing, some fruit trees) in Skhefela village, and 1,000 sq.m non-agricultural, he has two-story high wooden building in the village, but his land affected by the relocation of towers is located in Daba Shuakhevi. He does not cultivate land and does not receive any income from agriculture. There are no informal users of the land nor are there any productive crops or trees. Affected Person (AP) is not married, he has high education, currently unemployed, however, runs a small business as an individual entrepreneur. As he mentioned, his income is not stable and he on average receives 1,000GEL / month. At his sisters' house he has all facilities, as for his village house - he has TV, personal mobile phone, washing machine, refrigerator. The house is supplied with electricity, and running water, however, for heating he uses wooden stove and gas cylinder for cooking. There is no central sewage system. The distance from his house to central hospital is 1 km. AP mentioned that he has a positive attitude towards the project and company's impact on socio-economic development of the region.

The socio-economic study of the remaining 15 AHs was conducted in 2016 while developing the original Addendum to the LALRP for the 35kV OTL Project. The below summary of the socio-economic profile of the AHs has been developed based on earlier studies with the inclusion of the recent survey information. The ethnical composition of the affected households is homogeneous, all of them are Georgians. The majority of residents are Muslim, and some are Orthodox Christians.

Affected households live in the following villages of Shuakhevi Municipality, Daba Shuakhevi, Dabadzveli, Skhefela, and Nenia. The main source of income of the AHs is the production and trade of agricultural products, however, only agricultural activities cannot be considered as the only source of income. Some AHs are employed in public services, and education, many of them receive pensions and very few are registered in the database of the vulnerable people. Thus, the major group having the specific social status are pensioners and socially disadvantaged people and receive state social allowance.⁵

⁵ Information about the state allowances is available here: http://ssa.gov.ge/index.php?lang_id=GEO&sec_id=22

All AHs have secondary education, some of them have higher education as well. The absolute majority of HHs own/use agricultural land, while half of them also have non-agricultural land. All AHs own residential buildings, they have utilities such as electricity, running water at home, as for the heating they use timber and gas cylinder for cooking.

3 Methods for evaluating assets

This section describes the methods used to determine compensation rates and the field work undertaken to identify cost for land. Since only land parcels were affected by the route change, this section will discuss only land valuation methods.

The impacts on land have been distinguished as a permanent impact (land acquired for the tower footprint), and as temporary partial impact (servitude or easement under the transmission lines) which means that the land is not taken and is left in a limited usage of the private owner, however certain limitations are imposed on the mentioned land plots in terms of admissible land use. 554sq.m. will fall under the permanent impact meaning that Towers N99, N100, N101, N115 and N116 will be shifted, and Towers N99A and N104A will be added. The other land (17,889sq.m) falls under the RoW (40m), under the servitude, it will remain in a possession of the owners, they will be compensated for the imposed restrictions according to the easement (servitude) agreement. Owners can continue undertaking agricultural works, however, the planting of trees higher than 4m is restricted. The safety zone also imposes limits to building any structures within it.

3.1 Replacement Cost as the Basis for Compensation

The Project has decided to compensate for losses with cash rather than in-kind compensation. AGL will follow the same compensation procedure as in the original LALRP.

As per IFC, EBRD and ADB requirements AGL compensates based on replacement cost (market value of the assets plus transaction costs). Replacement cost also incorporates relevant transfer taxes, registration fees, and any other costs required for land acquisition (these are covered by AGL). Depreciation of structures and assets is not taken into account.

3.2 Land Valuation

The sales comparison method was used to set the monetary value of the affected land plots. This method implies comparing the object to be assessed to other objects with the market value known.

Valuated land plots are located in Dabadzveli, Nenia, and Daba Shuakhevi villages of Shuakhevi Municipality

The OTL project is located in the ravine of the Adjaristqali River. The land plots evaluated differ in terms of their locations, shapes, parameters, soil structure, designation and other data. Thus, the land plots were classified into various groups. Following groups of land were identified:

- (i) Non-arable land plots situated alongside the central highway and have commercial value due to proximity to central highway;
- (ii) Arable land plots situated near the central highway and residential house used for cultivating and harvesting agricultural crops (annual and /or perennial);
- (iii) Arable/non-arable land plots situated far from the central highway and residential house and used for ploughing, mowing and/or growing orchards;
- (iv) Plots of land part of which belongs to III group and part belongs to V group;
- (v) Arable plots of land situated far from the central highway and residential house, do not have a border with them, have no trace of cultivation and presumably are not used for harvesting crops (pastures);
- (vi) Plots of land part of which belongs to V group and part of which belongs to VII group;
- (vii) Arable, non-cultivation land plots which do not belong to I-VI type, are not used for harvesting crops and surface of which are downhill or steep. Presumably, these plots are used for mowing and/or perennial plants.

In order to value plots of lands market segment as well as prices registered in agreements and contracts signed on analogical real estate have been analysed which was undertaken within the borders of above-mentioned and adjoining villages. In the process of valuation conducted by Expert XXI, in order to define market price of plots, the valuator company (Expert XXI) has obtained data about analogues which are based on the deals registered by the National Agency of Public Registry.

As a result of easements to be exercised through servitude agreements, land use restrictions to project affected land parcels (residential and arable) will limit the potential best use of these land parcels. This means that PAPs will maintain ownership/possession rights to project affected land parcels and still be allowed to cultivate for agricultural purposes, but no structures/tall trees (higher than 4m) will be allowed. The easement price of the land is derived as a difference between the market value of this type of land at present (before the project) and after the project impact (land use restrictions imposed). Thus, the land unit market value for various land plots were estimated as follows:

Table 4 Market value per land categories

N	Land categories	Compensation rate for 1 sq.m of land in GEL	Compensation rate for servitude per 1 sq.m of land in GEL
1	Non-arable land plots situated alongside the central highway and have commercial value due to proximity to central highway	21.11	10.56
2	Arable land plots situated near the central highway and residential house used for cultivating and harvesting agricultural crops (annual and /or perennial)	19.49	8.93
3	Arable/non-arable land plots situated far from the central highway and residential house and used for ploughing, mowing and/or growing orchards.	16.24	5.68

4	Plots of land part of which belongs to III group and part belongs to V group	13.80	3.25
5	Arable plots of land situated far from the central highway and residential house, do not have a border with them, have no trace of cultivation and presumably are not used for harvesting crops (pastures);	10.56	2.11
6	Plots of land part of which belongs to V group and part of which belongs to VII group.	8.93	1.79
7	Arable, non-cultivation land plots which do not belong to I-VI type, are not used for harvesting crops and surface of which are downhill or steep. Presumably, these plots are used for mowing and/or perennial plants	6.50	1.30
	<i>Average market value across all seven categories</i>	<i>13.8</i>	<i>4.80</i>

As the inventory has shown, in almost all cases land losses are very small and all AHs lose less than 10% of their land.

According to the results of the analysis of the acquired plots, the majority of AH lose the category 3 land plots, which are arable/non-arable land plots situated far from the central highway and residential house and used for ploughing, mowing and/or growing orchards. Based on the above, AGL will compensate for losses with cash, as was done for land acquired under the 2014 LALRP. In addition, AGL compensation includes 10% of market value as vulnerability assistance over and above replacement cost only for the permanent land loss. Acquisition of premises and buildings is not required as these are not affected.

Due to the fact that no improvement activities have been carried out on the majority of the land plots, the company "Expert XXI" mainly used a sales comparison method (direct comparison) as their approach. In sales comparison approach, market value is estimated by comparing properties similar to the subject property that have recently been sold or are listed for sale. In case of all subject properties, the Company "Expert XXI" obtained the complete and reliable information about recently sold three land plots in the region. The assessment took into consideration the land purpose, usage, market condition, location and general characteristics. Based on the above mentioned, the company was able to define the value closely matching with market conditions.

The Company "Expert XXI" determined an average price of 4.79 GEL per square meter for easement, and 13.8 GEL per sq.m. for tower footprint⁶. The land affected by the relocation / construction of towers belongs to categories 2,3,5, and 7, so the average price for these four categories per square meter and would be 13.20GEL for purchase and 4.5 GEL for easement.

3.3 Asset Data Collection for Valuation

For the valuation of the assets within the impact zone data collection process was carried out in accordance with the procedures established in the 2014 LALRP. Data collection process was launched in November-

⁶ The values are in line with those in the earlier developed addendums to the LALRP.

December 2021. Out of 18 AHs, four families are new, meaning those who were not covered under the original LALRP Addendum in 2015 baseline studies. AGL contacted these households and conducted socio-economic surveys, while the asset inventory was conducted for all 18AHs affected by the OTL relocation.

Annexure 2 provides the list of affected households, assets lost, compensation amounts, asset evaluation reports, dates of payment and sample copies of signed agreements (in English and Georgian).

3.4 Right of APs to Compensation

Under Georgian law only registered owners are entitled to be compensated for land. Under IFC, EBRD and ADB standards, unregistered owners and users are also eligible for compensation in addition to those who are registered. As per AGL’s LALRP principles, registered and non-registered land and property owners and users will be treated equally. Out of 23 land plots only 9 land plots were registered in a public registry, 4 were in a process of registration.

The cut-off date for claiming compensation was declared as November 26, 2021, during the full asset inventory.

3.5 Compensation Eligibility

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

AGL implements compensation and livelihood restoration measures based on the Project entitlement matrix. Table below summarizes entitlements to be provided to the APs following the entitlement matrix of the 2014 LALRP.

Table 5 Entitlement matrix

Entitlements	Unit	Amount	Remark
Land	m ²	Land purchase compensation ranges from 21.11GEL to 6.50GEL, easement one-off is from 10.5 GEL to 1.30GEL.	Sales comparison method was used to assess the price for land. Land was grouped into 7 categories and different prices were determined according to the land categories for servitude and tower footprint. Only 2,3,5, and 7 categories of land will be impacted by the relocation. The compensation payments are individually defined based on the relevant category of the land affected.
Vulnerability allowance	Lump sum	10% of land value	Compensation for all land plots which were lost permanently, such

			as tower footprints will be increased by 10% as vulnerability allowance.
Livelihood restoration	Affected Household	No price Equivalent Available	Only new AH will be included in the livelihood restoration activities scheme

4. Grievance Management and Redress

The grievance redress principles are as follows:

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

Language, literacy and gender are not an impediment for complainants. Presentation of complaints does not incur undue costs to the complainant. AGL followed all principles considered by the 2014 LALRP and provided population with full information on grievances.

Grievances and comments should be sent to the Stakeholder Engagement Specialist to the address below:

Name: Inguli Davitadze

Mobile number: +995 577 20 34 15

Address: Shuakhevi Powerhouse, Shuakhevi Municipality

E-mail: Inguli.davitadze@agl.com.ge

Website: www.agl.com.ge

5. Livelihood Restoration

AGL will implement livelihood restoration activities only for newly affected four households. Even though some of them live outside the project impact area, they all own land plots and during interviews they all expressed interest towards the agricultural assistance.

AGL proposed similar measures as to all other affected households under the 35kV OTL, namely, the provision of: agricultural trainings, agricultural chemicals (pesticides) and fertilizers, seeds, and/or fruit tree saplings. Each family can select only one activity. Livelihood restoration activities will commence in spring 2023. In addition to that, AGL will allocate 1,000GEL for a female-headed household (household N3) and purchase materials, facilities, medicines, etc. based on her individual needs.

6. Budget and Chronology

AGL will prepare a contract with each affected person, and construction activities will be proceeded after full compensation cost is paid. The table below summarizes presumable costs related to tower relocation.

Table 6 Land acquisition compensation estimate

Item	Quantity of land plots	Affected land area, sq.m.	Total in GEL
Total land	26	18,596	68,483
a) Permanent loss	8	554	6,686.66
b) Easement	26	18,042	61,483.58

The land acquisition process will commence in August-September 2022. The table below represents the chronology of various processes.

Table 7 Land acquisition process chronology

N	Action	Responsibility	Status	Date of completion
Land identification and negotiation				
	Route change – design agreement	GSE/AGL	Completed	September-October 2022
	Land user identification	AGL	Completed	October-November 2022
	Valuation of the plot and determination of the market price	AGL	Completed	November - Beginning of December 2022
	Determination of the offer price	AGL	Completed	November - Beginning of December 2022
	Preparation of this Annex to the LALRP Addendum	AGL	Completed	Jan-Aug 2022
	Approval from lenders side and public disclosure	AGL	Pending	Aug – Sep 2022
	Conclusion of contracts	AGL	Ongoing	Sep 2022
	Payment of compensation	AGL	Ongoing	Sep 2022
	Land registration	AGL	Ongoing	Aug-Nov 2022
	Implementation of the LRP activities	AGL	Upcoming	Spring 2023
	Internal monitoring	AGL	Ongoing	

Table 8 below represents cost estimates incurred due to the route changes. The total budget is 76,048.84 GEL (exclusive of 20% income tax to be paid by AGL on behalf of the affected owners/users).

Table 8 Detailed budget

Description	Unit	Amount	Total compensation in GEL
Land used by private users under tower footprint to be purchased	Sq.m.	6,686.66	6,686.66
Vulnerability allowance 10% mark up to the market price	Sq.m.		668.6
Land used by private users under servitude agreements	Sq.m.		61,483.58
Transaction cost/land registration cost	N of land plots	4	1,210
Livelihood restoration	N	Lump sum	5,000
Assistance to female headed households	1	1,000 per household	1,000
TOTAL			76,048.84

Annexure 1:

AH Socio Economic Survey Questionnaire

Questionnaire # _____ HH # _____ Date _____

Name, surname and personal number of HH head		
Contact number		
Plot	Number of plot	Location of plot
1		
2		
3		
4		

1. Information about household (first one is head of HH)

#	Name, surname	Gender 1. Woman 2. Man	Age	Education 1. Without education 2. Preschool 3. Primary 4. Secondary 5. Technical/vocational 6. Higher education	Marital status 1. Not married 2. Married 3. Divorced 4. Widow	Ethnical belonging 1. Georgian 2. Armenian 3. Azeri 4. Russian 5. Ossetian 6. Other	Social status 0. None 1. Internally displaced person 2. Eco-migrant 3. Pensioner 4. Disabled 5. Other (Specify)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

2. Household's social status

Below the poverty line / social allowance		Assistance for IDPs		Allowance for disabled		Other social assistance	
1. Yes	2. No	1. Yes	2. No	1. Yes	2. No	1. Yes	2. No

3. Place of residence

City	Village

4. Household managed by woman

1. Yes	2. No
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5. HH's monthly income (GEL)

(Mark main source and record the amount in the box below, in case of not having any income, record 0)

5.1 For how long have the HH been receiving the named monthly income (*Record*)

Salary from public sector	Salary from private sector	Income from agriculture	Pension	Social allowance	Assistance from relatives	Private business	Temporary jobs	Other (<i>Specify</i>)
1	2	3	4	5	6	7	8	9

6. Loan and its structure (Yes/No, loan from bank or private entity)

Loan from bank		Loan from private entity		Loan from micro-finance organization		1. No
1. Yes	2. No	1. Yes	2. No	1. Yes	2. No	

7.1 Household's assets / land

Plot of land	1. Agricultural 2. Non-agricultural		1. Residential 2. Multi-year 3. Arable 3. Mowing 5. Pasture					Area (h)	Location Name of city/village
	1	2	1	2	3	4	5		
1	1	2	1	2	3	4	5		
2	1	2	1	2	3	4	5		
3	1	2	1	2	3	4	5		
4	1	2	1	2	3	4	5		
5	1	2	1	2	3	4	5		

7.2 Household's assets / real estate

Building	Type of building 1. Residential 2. Commercial 3. Auxiliary			Number of floors of the building	Material 1. Block – brick 2. Stone 3. Wood 4. Concrete 5. Other (<i>Specify</i>)	City / village
	1	2	3			
Building #1	1	2	3			
Building #2	1	2	3			
Building #3	1	2	3			
Building #4	1	2	3			
Building #5	1	2	3			

8. Movable property (quantity)

TV	Landline phone	Cell phone	Internet	Radio	PC	Washing machine	Refrigerator	Bike	Car	Bicycle	Other <i>(Specify)</i>

9. Livestock (quantity)

Cow	Sheep	Goat	Pig	Horse	Donkey	Poultry	Other <i>(Specify)</i>

10. HH's main expenses within the last 12 months (monthly GEL on average)

For food	Other (not for food)	Total

11. Water supply and sewage system (1. Yes / 2. No)

Tap water inside house	Tap water in the yard	Movable water cistern	Shared well	Own well	Spring	Other <i>(Specify)</i>	Central sewage system	Hole	Other <i>(Specify)</i>

12. Energy resources (1. Yes / 2. No)

Electricity	Natural gas	Liquid gas	Wood	Other <i>(Specify)</i>

13. Distance to educational, medical and utility service facilities (Distance, km) (If none –55, if does not know –99)

Local polyclinics	Local hospitals	District or city hospital	Kindergarten	School	University	Local road	Central highway

14. Attitude towards the project

Very negative	Negative	Neither negative nor positive	Positive	Very positive	Cannot specify
1	2	3	4	5	99

15. Project impact on social-economic activities in the municipality

Very negative	Negative	Neither negative nor positive	Positive	Very positive	Cannot specify
1	2	3	4	5	99

16. Interviewer's notes

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Respondent's signature / date _____ / _____ /

Interviewers name, surname and signature / date _____ / _____ /

Annexure 2:

List of landowners/users