

Completion Report for the land acquisition  
for the relocation of a part of Adjaristsqali  
Georgia LLC's 35 kV OTL to avoid its overlap  
with Georgian State Electrosystem's 220kV  
OTL, Shuakhevi Municipality

September 2025

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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
HH	Household
IFC	International Finance Corporation
km	Kilo meter
kV	Kilo Volt
LALRP	Land Acquisition and Livelihood Restoration Plan
LAR	Land Acquisition and Resettlement
m	Meter
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

Adjaristsqali Georgia LLC (AGL), the owner and developer of the Shuakhevi Hydropower Plant (HPP) in Ajara Autonomous Republic, Georgia, constructed a 22.3km Skhalta-Shuakhevi 35kV Overhead Transmission Line (OTL or the Project) between two separate hydropower plants – Skhalta HPP and Shuakhevi HPP under the scope of the Shuakhevi HPP Scheme. The OTL allows the Skhalta HPP to transmit the generated electricity into the Georgian 220kV network.

In 2021, following the commissioning of the 35kV line it became known to AGL that the planned 220 kV power line route of the Georgian State Electrosystem (GSE) overlaps with the route of the AGL’s 35kV line in some sections located in Shuakhevi Municipality. AGL undertook a technical/engineering study and requested the designers 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 AGL’s towers became necessary, alongside installing two additional towers: namely, 99A and 104A (“the changes to the Project”). In 2023, AGL obtained all needed permits for the construction of two new towers and relocation of five existing towers from the Shuakhevi Municipality. After these changes were implemented, the 35 kV line was re-commissioned in 2024.

Since the above-described changes have happened after land acquisition for the Shuakhevi HPP, Skhalta HPPs, and 35 kV OTL was completed and the Independent Land Acquisition Completion Audit conducted, AGL prepared this Completion Report to document the land acquisition process pertaining to the changes to the Project.

## 1.1 Description of Changes to the Project

AGL and GSE carried out several discussions with the GSE 220kV OTL project team and an optimal re-routing of the 35kV line was proposed to divert the lines. The proposed changes were not significant; five towers were relocated and two additional towers: 99A and 104A installed in Shuakhevi Municipality. In particular:

1. Tower N99 was lowered from the current location about 50m towards the Adjaristsqali River side and located on a rocky outcrop at a distance of 10m from the river.
2. New Tower N99A was added between Towers N99 and N100 and located in a geologically suitable place 20m away from the Adjaristsqali riverbed.
3. Tower N100 was shifted by 100m to the Adjaristsqali River alluvion and sited on the left bank of the river.
4. Tower N101 was shifted by 30m within similar engineering-geological condition.
5. New Tower N104A was added between Towers N104 and N105.
6. Towers N115 and N116 were relocated within the existing 35 kV’s right-of-way (RoW) of AGL.

Land acquisition process was conducted as per the 35kV OTL Addendum to the Land Acquisition and Livelihood Restoration Plan (LALRP)<sup>1</sup> and in line with lenders' requirements. It was based on a fair and unbiased valuation of land plots. In line with the original LALRP of the Shuakhevi project, AGL applied a standard 10% mark-up on a market price only for the permanent impact (tower footprint).

The relocation of five existing towers and construction of two new towers occurred in five villages located in Shuakhevi Municipality. Table 1 below represents the information about the village and types of impacts.

Table 1 List of affected villages and types of impacts

Area / Village/District	Tower number	Tower relocation	New tower erection	Servitude (easement)	Permanent loss
<b>Didsavardia<sup>2</sup> / Daba Shuakhevi</b>	99-99A	1	1	Yes	Yes
<b>Nenia</b>	100-101	2	0	Yes	No
<b>Daba Shuakhevi</b>	104A	0	1	Yes	Yes
<b>Dabadzveli</b>	115	1	0	Yes	No
<b>Gorkhanauli, Daba Shuakhevi</b>	N116	1	0	Yes	No

The relocation and construction of the towers affected 26 land parcels owned and used by 18 Affected Households (AHs). All affected land is of agricultural designation. In total, 18,596sq.m of agricultural land were affected by the change, where 554sq.m were for the tower footprint, and 18,042sq.m - for easement.

Table 2 N of AHs according to the villages

Village name	N of AHs
<b>Daba Shuakhevi</b>	9
<b>Dabadzveli</b>	3
<b>Nenia</b>	6
<b>Total</b>	<b>18</b>

Table 3 below summarizes the route change impact:

Table 3 Summary of impacts due to the 35kV OTL route change

Loss category	N of land plots	N of AHs	N of land plots under tower footprint	N of AHs owning/using land under the tower footprint	N of land under easement	N of AHs owning/using land under easement	Area under tower footprint (m <sup>2</sup> )	Area under easement (m <sup>2</sup> )	Total affected area (m <sup>2</sup> )
<b>General information</b>	26 <sup>3</sup>	18	8	7	26	18	554	18,042	18,596
<b>Private ownership</b>	5	4	1	1	4	4	65	2,010	2,075

<sup>1</sup> Website: <https://agl.com.ge/storage/media/other/2024-01-10/6c115670-af8e-11ee-9c4a-2185680de561.pdf>

<sup>2</sup> It is a district name and belongs to Daba Shuakhevi (town Shuakhevi).

<sup>3</sup> The number of affected households does not sum up precisely, as one household owns/uses private and state-owned land plots.

<b>State owned land</b>	21	18	7	7	21	18	489	10,032	16,521
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The route change affected only land plots. No fruit bearing trees; perennial crops and/or structures were affected by this change. Out of 18 affected landowners/users, only four AHs were new, while the remaining were those who were covered by the original 35kV line Addendum to the LALRP. The inventory studies of assets affected by the changes to the route and their valuation was conducted in November 2021; the socio-economic survey of four AHs (face to face) to establish their baseline conditions was conducted in January and February 2022. The compensation eligibility cut-off date was declared as November 26, 2021 (i.e., the completion date of the inventory studies), and this cut-off date was communicated to the AHs during the individual meetings prior to the start of the inventories.

## 1.2 Information Disclosure and Engagement Activities

After finalizing the project design, AGL began identifying landowners whose land parcels would be affected by the relocation works. As most of the relocation was carried out within several meters of the original alignment, the majority of the landowners remained the same. In addition to site visits and informational meetings conducted by the auditors (inventory, land measurement, etc.), AGL's social team, in parallel, held several meetings and provided information on land acquisition procedures, grievance mechanisms, and related matters.

Table below presents the list of meetings:

Date	Location / Village	Purpose of the meeting
<b>6.01.2022</b>	Gorkhanauli	Meeting was held with landowner Mr. Vazha Davitadze who was informed about the need for the relocation of towers and the size of impact on his land. He was also informed about the grievance mechanism and procedures about submission of claims or grievances, in case of need.
<b>11.01.2022</b>	Nenia	Social team held a meeting with two landowners and informed them about the land acquisition processes and grievance mechanism.
<b>14.04.2022</b>	Daba Shuakhevi	Social team held a meeting with landowners in Daba Shuakhevi and informed them about the project, and land acquisition processes.
<b>14.04.2022</b>	Dabadzveli	Meeting with one landowner about land acquisition.
<b>22.03.2023</b>	Gorkhanauli	Meeting with landowners regarding the livelihood restoration measures
<b>23.03.2023</b>	Shuakhevi Mayor's Office	Social team held a meeting with the Mayor of Shuakhevi seeking assistance to resolve issues of the disputed land in Shuakhevi, needed for the relocation of towers.

It should be noted that the acquisition of land parcels took place in 2021 and early 2022, during the post-COVID period, when restrictions were still in place and limited physical interactions with communities.

### 1.3 Grievance Resolution

In total the Company received three grievances in related to the tower relocation works:

Date	Location/village	Issue raised	Resolution
<b>20.09.2022</b>	Daba Shuakhevi	The landowner complained that, following the erection of the 35 kV and 220 kV towers, the value of his house and land has depreciated and that, if he wishes to sell the property, no one would be willing to buy it.	The AGL land team verified the distances and confirmed that the tower is located 138 m from the complainant's house and 48 m from his land plot. The erection of the 220 kV tower is beyond AGL's responsibility. The complainant was informed that these distances fall within the applicable safety buffer zone. The explanation was acceptable and no further issues were raised by the complainant.
<b>10.04.2023</b>	Daba Shuakhevi	The complainant stated that the construction of the 35 kV OTL near his agricultural land would affect the area, as he plans to develop a touristic facility. He requested information on potential health impacts of electric lines, and the normative acts applicable to the construction of these towers.	On April 25, AGL provided a written response stating that the construction of the towers is carried out in accordance with the governmental decree of Georgia and that a 15 m safety zone is ensured for 35 kV lines. His house is located 50 m from the right-of-way, which is well beyond the required distance. No further concerns were raised by the complainant.
<b>12.02.2024</b>	Dabadzveli	The complainant stated that during the relocation of the towers, his fence was damaged, nut trees were affected and requested compensation.	The audit valued the cut trees, and AGL paid compensation to the complainant in accordance with the audit report. NMG repaired the fence. No further concerns were raised by the complainant.

## 1.4 AGL’s Land Acquisition Policy

AGL’s guiding principles applied by AGL for acquiring land for the 35kV OTL follows those in the 2014 LALRP, as demonstrated in Table 4.

Table 4 Land acquisition principles

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
<p>1. Land acquisition and resettlement will be minimized or avoided where possible. Where resettlement is unavoidable, RAPs and LRPs will be designed to minimize adverse impacts.</p>	<p>Towers for higher voltage 110/220kV were used instead of traditional 35kV towers. These towers can span distances greater and as such, reduce the overall number of towers and the related permanent land-take.</p> <p>In addition to this, prefabricated foundations for the towers were used to allow the land users to continue works where possible; composite ceramic insulators were used to reduce tower size (e.g., smaller footprints) to reduce the area under the towers subject to permanent impact.</p>
<p>2. Land acquisition activities will be conceived and executed as sustainable development programs. Sufficient investment resources will be provided to enable the Affected Persons (APs) to share in project benefits.</p>	<p>The impact on land was very insignificant, with mostly easement impacts and with only seven HHs losing land permanently.</p> <p>Four new HHs were involved in the livelihood restoration activities which they selected during the interviews. This livelihood restoration included provision of fertilizers and only one AP (single man) asked the company to purchase a TV.</p> <p>Besides, the HHs affected by a permanent loss of land received a 10% mark-up as a ‘vulnerability allowance’. None of the newly AHS were headed by females.</p>
<p>3. AGL will aim to achieve negotiated agreements on land acquisition with all APs with expropriation only being followed as a last resort where negotiation fails. Either way, all LAR activities will be documented in Resettlement Action Plans and LRPs.</p>	<p>Land acquisition was achieved through negotiated agreements. No land expropriation was applied; all land compensation was paid based on mutual agreements of both parties.</p> <p>The contracts were signed with landowners of each individual plot. All documents of land registration in the Public Registry, cash compensation payment approval documentation, documents about preliminary examination and valuation of land plot, and delivery acceptance acts on transferring land titles to AGL are available.</p>
<p>4. All APs will be meaningfully consulted and have opportunities to participate in planning and implementing resettlement activities;</p>	<p>From the initial stages of land acquisition through the project implementation process, AGL made efforts to ensure transparency and minimize concerns among APs. This was achieved through careful planning, full participation and consultation with APs, and strong</p>

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
	<p>communication and coordination among the various implementing entities.</p> <p>AGL conducted regular meetings with the APs to consult on land acquisition activities and to provide information regarding surveys and compensation payments. These efforts aimed to ensure that all APs were informed, their concerns addressed, and that the land acquisition process was conducted in a fair and participatory manner.</p>
<p>5. APs will be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them to pre-project levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.</p>	<p>Four newly added HHs were included in the livelihood restoration projects. In addition to land compensation, they received the same livelihood support from AGL as the previously included affected HHs.</p>
<p>6. LALRP (or RAP if there is physical displacement) is prepared for each subproject for permanent land acquisition</p>	<p>The change to the 35kV line's routing did not trigger physical relocation of HHs.</p> <p>AGL hired an independent and certified valuator - Expert XXI - to undertake the asset valuations. Out of 18 HHs there were only four new HHs who were not covered by the original LALRP Addendum. AGL undertook the socio-economic survey of these four HHs, and asset inventory of all 18 HHs.</p>
<p>7. There is consultation with affected persons, socio-economic surveys and consideration of vulnerability</p>	<p>The socio-economic surveys were carried out by AGL, while for the asset valuation AGL used the service of Expert XXI.</p> <p>Considering the low income of HHs living in the area of influence of the Shuakhevi HPP and the lack of land, AGL considered each HH as vulnerable and provided vulnerability assistance regardless of their social status in case of a permanent land-take.</p>
<p>8. Resettlement is avoided wherever possible and adverse impacts will be minimized first and then mitigated;</p>	<p>There was only economic displacement. Impact on land is minimal, related mainly to easement and tower footprint. HHs under easement agreements can continue using land and perform agricultural activities with certain limitations.</p>
<p>9. The Project compensates people whether or not they are the formal owners, if they have a legitimate claim to land, structures, crops or other assets;</p>	<p>AGL paid compensation to all affected APs regardless their legal ownership of the affected land. APs include legal owners (3HH) and informal users (15HH). AGL helped one land user to register the land, and all land registration costs were covered by the company.</p>
<p>10. Options for compensation, such as land-for-land and full or partial cash compensation, are presented to APs wherever this is practical.</p>	<p>Decision was made to compensate for losses with cash rather than in-kind as this was the preferred mode of compensation by the APs.</p> <p>As mentioned above, there were very scarce amount of agricultural land plots in the project influence area, it was impossible to acquire state owned agricultural lands with the purpose of replacement. Hence land-for-lands compensation was not discussed nor even raised by the AHs.</p>

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
11. Cash compensation is based on replacement cost.	<p>AGL covered all transaction-related expenses on behalf of the APs, including transaction taxes, land registration fees, and other costs associated with land acquisition.</p> <p>In addition to the market value of the affected assets, a vulnerability assistance payment equal to 10% of the land cost was provided to eligible APs (those who lost land permanently).</p>
12. If resettlement sites are provided, they will represent an improvement on the APs' former houses.	Irrelevant, as no physical displacement was triggered by the relocation of the route.
13. The Project established a transparent and accessible grievance mechanism for APs to use throughout the land acquisition process.	AGL aims to engage with stakeholders on land acquisition in a manner that is conciliatory, fair and transparent. AGL Social Department is responsible for recording grievances which are related to land acquisition and compensation. Grievances and their solutions are discussed jointly with the 35kV OTL construction contractor GDP.
14. The Project provided training programs for APs so that they can access employment on the Project. AGL and its contractors hired a number of trainees and will continue to provide opportunities to hire them to provide a regular income to AHs. Certification of proof of work undertaken on the Project will be awarded so that APs may access jobs on future construction works in the region.	This approach was applicable for the Original LALRP and related to the construction state. For those APs who have been included in this Completion Report, no training has been provided with the aim of employment.
15. For the purposes of this Project, all AHs are considered to be vulnerable and will be treated as such	Recognizing that many of the HHs in the area are vulnerable and dependent on state pensions and allowances, AGL paid each AH an allowance equal to 10% of the market value of the land being permanently acquired.
16. The Project aims to use a participatory approach in consultation with key stakeholders and APs regarding resettlement, in order to promote better and timely implementation of key processes such as valuation and relocation	All HHs were provided with information and consulted on land acquisition process, amount of compensation, grievance mechanism, etc.
17. APs, who are all considered vulnerable have been included in consultation activities	All APs have been included in consultation activities.
18. Resettlement documentation has been disclosed; and this updated version will also be disclosed	All land related documentations are disclosed on the company's website <a href="http://www.agl.com.ge">www.agl.com.ge</a> .
19. Livelihood restoration and resettlement activities will be monitored during Project implementation via internal monitoring and resettlement completion audits.	AGL social team undertook internal monitoring of the land acquisition process and livelihood restoration activities to assess the impact of land acquisition on HHs. The results of the monitoring were included in the Monthly Review Report for AGL management. Land acquisition of the 35kV was part of the overall resettlement completion audit; however, since the

2014 LALRP Guiding Principles	Actions Taken by AGL to Demonstrate Compliance
	changes to this line were implemented after the completion of the audit, AGL prepared the Completion Report, as required by lenders policies.

## 2. Livelihood Restoration

AGL implemented livelihood restoration activities only for the newly affected four HHs. Even though all of them lived outside the project impact area, they all owned land plots and during interviews they all expressed interest in agricultural support rather than training and/or education. In response, AGL proposed several livelihood restoration options, consistent with previous measures. These included the provision of agricultural fertilizers, seeds, and fruit tree saplings. All of them preferred receiving fertilizers, except one landowner who required AGL to purchase a TV (as “the TV will significantly improve his quality of life”). AGL delivered livelihood activities in spring 2023 before the start of agricultural seasonal activities. AGL’s internal follow-up monitoring revealed that all AHs were content with the provided livelihood support.

## 3. Budget and Chronology

AGL obtained all required rights for the land needed for the relocation/construction and re-commissioning of the 35kV OTL. The process of payment compensation went through the legal procedures. All contracts were signed, and compensation payments started in 2022 and completed in 2023. Vulnerability allowance was paid to landowners/users losing land permanently for the tower footprints.

Table 5 below represents the chronology of various processes.

*Table 5 Land acquisition process chronology*

N	Action	Responsibility	Status	Date of completion
	Route change – design agreement	GSE / AGL	Completed	January, February 2020
	Land user identification	AGL	Completed	March 2021
	Valuation of the plot and determination of the market price	AGL	Completed	April 2021
	Determination of the offer price	AGL	Completed	April 2021
	Preparation of the Annex III to the LALRP Addendum and disclosure on AGL’s website	AGL	Completed	Jan-Aug 2022

	Negotiations and conclusion of contracts	AGL	Completed	2022-2023
	Payment of compensation	AGL	Completed	September 2022 – Mar 2023
	Implementation of the livelihood restoration activities	AGL	Completed	March-April 2023

Table 7 below represents cost incurred due to the relocation of 35kV OTL. The total budget was 68,170.08GEL (exclusive of 20% income tax to be paid by AGL).

*Table 7 Cost incurred due to the route change*

Description	Unit	Amount	Total compensation in GEL
Land used by private users under Permanent Impact to be Purchased	Sq.m.	554	6,686.66
Vulnerability allowance 10% mark up to the market price	Sq.m.	554	668.6
Land used by private users under partial long-term impact to be compensated under easement agreements	Sq.m.	18,042	61,483.42
Transaction cost / land registration cost	N of land plots	4	1,500
Livelihood restoration	N	Lump sum	2,500
<b>TOTAL</b>			<b>72,838.68</b>