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Adjaristsqali
Georgia
LLC

“Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project



Addendum to Land Acquisition and Livelihood Restoration Plan (LALRP)

Prepared by ACT

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Acronyms and Abbreviations

ACT	– Analysis and Consulting Team
ADB	– Asian Development Bank
AGL	– Adjaristsqali Georgia LLC
AH	– Affected Household
AP	– Affected Person
DMS	– Detailed Measurement Survey
EBRD	– European Bank of Reconstruction and Development
ESIA	– Environmental and Social Impact Assessment
GEL	– Georgian Lari
HH	– Household
HPP	– Hydro Power Plant
IFC	– International Finance Corporation
km	- kilometers
LALRP	– Land Acquisition and Livelihood Restoration Plan
PAP	– Project Affected Person
PC	– Personal Computer
PR	– Performance Requirement
PS	– Performance Standard
RoW	- Right of Way
SES	– Socio-economic Survey
SR	– Safeguard Requirement
TV	– Television

Executive Summary

Adjaristsqali Georgia LLC (AGL) is the Project Developer of the Shuakhevi Hydropower Project (HPP) in Georgia. A 22.3 km 35kV Skhalta-Shuakhevi Overhead Transmission Line Project (the Project) is to be constructed between two separate hydro power stations - Skhalta HPP and Shuakhevi HPP - to be built under the scope of the Shuakhevi HPP. The line will allow the Skhalta HPP to transmit generated electricity into the Georgian 220kV network. Part of the generated electricity will be sold in Turkey or other Black Sea Transmission network countries' market and the rest will be used to reduce winter energy deficit in the Georgian electric network. The line will be constructed maximum within six months of obtaining a necessary construction permit subject to normal climate conditions.

This Addendum to Land Acquisition and Livelihood Restoration Plan (LALRP) has been developed in reference to Georgian legislation and other relevant legislation. It has been prepared following the principles and procedures in the October 2014 LALRP prepared for the Shuakhevi HPP Project¹ and the Lenders' requirements. These include the requirements of the 2012 International Finance Corporation (IFC) Performance Standard 5: Land Acquisition and Involuntary Resettlement, the 2014 European Bank of Reconstruction and Development (EBRD) Performance Requirement 5: Land Acquisition, Involuntary Resettlement and Economic Displacement, and the 2009 Asian Development Bank (ADB) Safeguard Requirement 2: Involuntary Resettlement.

This Addendum to LALRP addresses permanent land acquisition and long-term partial impact on the land (envisaging restrictions on land use) for the 35kV line.

During the preparation process of this Addendum the following works have been implemented:

- Detailed measurement survey (DMS) of lost assets (287 land plots belonging to 221 Affected Households (AHs)) conducted in 13 villages² affected by the Project. The census identified the number and gender of all family members and the detailed measurement survey recorded the type of asset and its age, size, productivity, quality or condition, use and other relevant characteristics. The census was conducted in April-May 2016.
- A socio-economic survey (SES) with 167 out of 221 (approximately 75% of total AHs) AHs living in the villages impacted by the project². The socio-economic survey covered the major socio-economic features of the APs, namely ethnicity, education level, modes of livelihood, and sources of income, poverty/income levels and house type/value and land tenure types. The survey established baseline conditions with regards to well-being and access to services. The data will be used to monitor and evaluate AHs return to pre-project conditions and any improvements to their standard of living. The survey was conducted in June 2016.
- The eligibility cut-off date was declared as being the 18th May 2016 (i.e., the completion date of the DMS), and this was communicated to the affected households during the community meetings.

The 35kV line will require setting up of 133 transmission line towers and its right of way will have a width of 40 meters. Each tower footing will require (7x7) 49 sq.m of land. Permanent land acquisition and long-term partial impact on the land (envisaging restrictions on land use) for the 35kV line will affect private landowners (both registered and non-registered) and land that is State owned or managed.

¹ Available from <https://www.adb.org/projects/documents/adjaristsqali-hydropower-project-oct-2014-rp>

² Shuakhevi, Beselashvilebi, Gurdzauli, Dabazveli, Nenia, Nlgazeuli, Okropilauri, Phurtio, Kinchauri, Zmagula, Tsalblana, Cheri and Chanchkhalo.

In total, the project will affect 287³ land plots that are in private use by 221 AHs and occupy a total area of 1,075,167 sq.m. (107 ha) (Table # E1.1). Part of this total area will be affected by the project, namely, 534,683.44 sq.m (53.4 ha). Of this, 7,140.39 sq.m./0.7 ha fall under permanent and 527,543.05 sq.m./52.7 ha fall long-term partial impact due to restricted access. Out of the affected land, 9 (8 AHs) land plots are registered (9,647.4 sq.m/0.9 ha), 29 (27 AHs) land plots are legalizable (44,915.2 sq.m/4.4 ha), meaning that the land users under this category own the documents required for land legalization under Georgian legislation. 172 (141 AHs) land plots (338,139.7 sq.m/33.8 ha) are used by the land users under traditional rights, the land plots under this category are subject to legalization. Private users (66 AHs) also use 77 land plots (141,981.14 sq.m/14.1 ha) owned by state not subject to legalization. Out of 77 state land plots not subject to legalization, 14 plots are used for perennial (having fruit bearing trees) and 1 for annual crops, also 20 land plots are used as hay fields and 5 as grazing lands, 37 land plots are used for mixed purposes except trees. Even though the land plots cannot be legalized by the AHs, AGL is committed to giving permissions to these 66 AHs to use the land in the future with restrictions (no buildings, no trees higher than 4 meters). Apart from land plots used by the private users, the project impacts the state land (3,638 sq.m/0.3 ha) and the forest funds (61,567 sq.m/ 6.1 ha), as well as land plots owned by AGL LLC (64,042 sq.m/6.4 ha). 89 AHs will permanently will lose an average of 80 sq.m. of land each; while each of 211 AHs will experience, on average, long-term partial impact on 2387 sq.m. of land used by them. The details regarding the land impacted by the project are provided in table E1.

The project affects one cattle shed (currently in use) and two remnants of the buildings (currently not in use) owned by 3 AHs. No impacts on houses and no physical displacement is anticipated.

Crops identified to be lost due to the project cover the total area of 53,585m² of which 8,590 m² are occupied by maize, beans, and potato crops, whilst the rest - 44,995 m² - is used to harvest hay. Affected crops are located under permanent impact and long-term partial impact (due to restricted access). The crops affected by the project belong to 40 AHs.

The Project will require several plots with trees to be acquired permanently. In total 62 AHs are affected and some of them will lose several species. The project affects 1300 trees of various species in total.

The LALRP sets out AGL's policy whereby all AHs are treated in an equal manner in terms of social vulnerability. Recognizing that large part of the households in the area live below the poverty line and depend on State pensions and allowances in particular every fifth person in Khulo and Shuakhevi municipalities is pensioner and almost every fourth person receives state allowances, AGL will pay each AH an additional allowance equal to 10% of the market value of the land being acquired (but not of other assets affected), thus each AH will receive land compensation plus a markup of 10% of the land valuation amount. Only 2 AHs will lose more than 10% of their productive assets (14% and 16% of land with trees) in the project area and therefore experience significant impacts as defined by ADB, although the current framework does not consider the lost assets as severe unless 50% of the productive assets are affected permanently by the project area. Project LALRP also sets out the policy to compensate severely affected AHs losing more than 50% of their land. No severity allowance is envisioned as none of the AHs loses more than 50% of their land.

Tables E1.1 and E1.2 provide a summary of the Project's impacts to AHs.

³ All land plots impacted by the project are agricultural used for multiple purposes i.e. orchards, annual crops, hay fields, grazing land, etc.

Table # E1.1 – Summary of the Impacts on land

Loss Category	Total No. of AHs	N of Land plots under permanent impact	N of AHs under permanent impact	N of Land plots under partial impact	N of AHs under partial impact	Total Area	Area under permanent impact (sqm)	Area under partial impact	Unit
Land in private use	221	97		287		1,075,167.45	7,140.39	527,543.05	m ²
Registered	8	0	0	9	8	21,156	0	9,647.4	m ²
Legalizable	27	11	11	29	27	88,852.9	791.7	44,123.5	m ²
Owned by Traditional Rights – Legalizable	141	56	51	172	141	687,539.05	4,603.8	333,535.9	m ²
State Owned Used by Informal Users – Not Legalizable	66	30	29	77	66	277,619.5	1,744.89	140,236.3	m ²
Land Owned By AGL						509,614	757	63,285	m ²
Forest Funds						157,318	587	60,980	m ²
Owned by State (Not used by Informal Users)						19,966	72	3,566	m ²

Table # E1.2 – Summary of the Impacts on Business, crops, structures

Loss Category	N of AHs	N of lost assets	Unit
Business income and employment wages	0	0	N
Trees	62	1,300	N
Annual Crops	40	53,585	m ²
Structures	3	3	N

The LALRP includes the cost estimates and budget for land acquisition and resettlement without provision of tax costs (the taxes and costs will be paid by AGL on top of the compensations). The estimated total budget for the project land acquisition and resettlement is **1,696,252.46** GEL.

1 Introduction

1.1. Background

The Government of Georgia's National Policy is to develop the whole country and to create new jobs. The hydro power sector is prioritized for such development because of Georgia's comparative advantages with rivers from the mountains areas and its high precipitation levels. Through energy sector investments Georgia will also achieve energy independence and security of electricity supply. In addition, Georgia considers electric power to be an export commodity and is aiming to develop this potential.

Adjaristsqali Georgia LLC (AGL), a subsidiary of Clean Energy Invest AS, was awarded the development rights for the Adjaristsqali Hydropower Cascade Project [also known as Shuakhevi HPP] in Georgia following a competitive tender. The Shuakhevi HPP is being developed in cooperation with International Finance Corporation (IFC) InfraVentures, an early stage project developer launched by IFC, a member of the World Bank Group and other lenders, including the European Banks for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB). The Project is a part of the Energy policy of the Government of Georgia aimed at reaching economic independence and sustainability of the power supply and providing energy security through internal power generation. The electric power is considered as an export product by Georgia due to its well-connected transmission network with other countries and Government is planning to develop hydroelectric power potential.

The Environmental and Social Impact Assessment (ESIA) for the Shuakhevi HPP Project was prepared during the Feasibility Study stage (July 2011-August 2012) with the final version issued in October 2012. The Land Acquisition and Livelihood Restoration Plan (LALRP) for the Shuakhevi Hydropower (HPP) Project was prepared in 2012 and updated in 2014.

In 2014, the need for the 35kV Skhalta-Shuakhevi Overhead Transmission Line Project (the Project) was identified. This Project represents an around 22.3 km single circuit overhead power line to be constructed between two separate hydro power stations – Skhalta and Shuakhevi - within the scope of the Shuakhevi HPP project. The line will allow the Skhalta HPP to transmit generated electricity into the Georgian 220kV network. This document represents the Addendum to the LALRP 2014 and covers the 35kV Skhalta Shuakhevi Overhead Transmission Line.

In 2016, New Metal Georgia was assigned as a construction contractor of the 35kV Shuakhevi-Skhalta transmission line. In May 2016, New Metal Georgia appointed a Tbilisi based organization ACT to prepare the LALRP Addendum to guide the land acquisition related to the construction of the 35kV overhead transmission line. This Addendum to the LALRP has been developed in reference to Georgian legislation and other relevant legislation. It has been produced to meet the requirements of the 2012 IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement, the 2014 EBRD Performance Requirement 5: Land Acquisition, Involuntary Resettlement and Economic Displacement, and the 2009 ADB Safeguard Requirement 2: Involuntary Resettlement.

1.2. Shuakhevi HPP Project LALRP Guiding Principles

This Addendum to LALRP is guided by the Shuakhevi HPP Project's LALRP of 2014⁴. The objectives of the 2014 LALRP follow the Lenders' policies which are to improve, or at a minimum restore, the livelihoods and standards of living of displaced (physically or economically) persons to pre-project levels. The LALRP establishes a standard approach for the treatment of land acquisition and livelihood restoration in all Project activities. It identifies procedures and requirements to guide AGL in dealing with people who experience land and property losses due to the Project.

The Shuakhevi HPP Project's guiding LALRP principles are:

- Land acquisition and resettlement will be minimized or avoided where possible. Where resettlement is unavoidable, the procedures and requirements outlined in the LALRP will be followed. Resettlement action plans or LALRPs will be designed to minimize adverse impacts.
- AGL will aim to achieve negotiated agreements on land acquisition with all affected persons (APs) based on the principles set out in the 2014 LALRP. AGL will negotiate fairly and openly with all APs to reach mutually acceptable agreements on compensation. Expropriation will only be undertaken as a last resort where negotiation fails.
- All land acquisition and resettlement activities will be managed through resettlement action plans (when there is physical displacement which means relocation or loss of shelter or structure) or LALRPs (when there is loss of economic displacement which means loss of income or livelihood). Implementation results will be documented and monitored.
- All APs will be meaningfully consulted and be active participants in the negotiated settlements. Consultations will consider gender issues and take into account the needs of stakeholders who may be considered vulnerable. In the Project context, many if not all of the affected households are considered vulnerable.
- 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.

1.3. Project Description

The 35kV Skhalta-Shuakhevi Overhead Transmission Line Project (the Project) is to be constructed between two separate hydro power stations Skhalta HPP and Shuakhevi HPP to be built under the scope of the Shuakhevi Hydropower Project (HPP). The line will allow the Skhalta HPP to transmit generated electricity into the Georgian 220kV network. Part of the generated electricity will be sold in Turkey or other Black Sea Transmission network countries' market and the rest will be used to reduce winter energy deficit in the Georgian electric network. The line will be constructed maximum within six months of obtaining a necessary construction permit subject to normal climate conditions.

The Shuakhevi HPP is located in the vicinity of Shuakhevi town - at the upper part of the Adjarisqali and Chvanisqali rivers' flow, and the Skhalta HPP is arranged on the river, upstream of the Skhalta dam. The 35kV OHL Project is planned in the Adjara region, on the territories of the Shuakhevi and Khulo municipalities. The scope of the construction involves a part of the Skhalta River valley – from the village

⁴ Available from <https://www.adb.org/projects/documents/adjaristsqali-hydropower-project-oct-2014-rp>
Addendum to LALRP, 35kV Skhalta-Shuakhevi Transmission Line, 2017

of Tsalana to the bridge of the Furtio on the Adjaristskali River and a part of the Adjaristskali valley to the dam of the Shuakhevi HPP.

The ROW/easement/servitude for the OHL will extend 15 meters from extreme outer conductors either side and with cross arm length of 10 meters, a total of 40 meters. Towers will have a maximum height of 35 meters with a maximum span length 400 meters and average of 200 meters between two towers. A total of 133 towers will be installed along the 40m corridor of impact. Construction of the 35kV line will be done with 100% asset registration and compensation paid prior to works commencing.

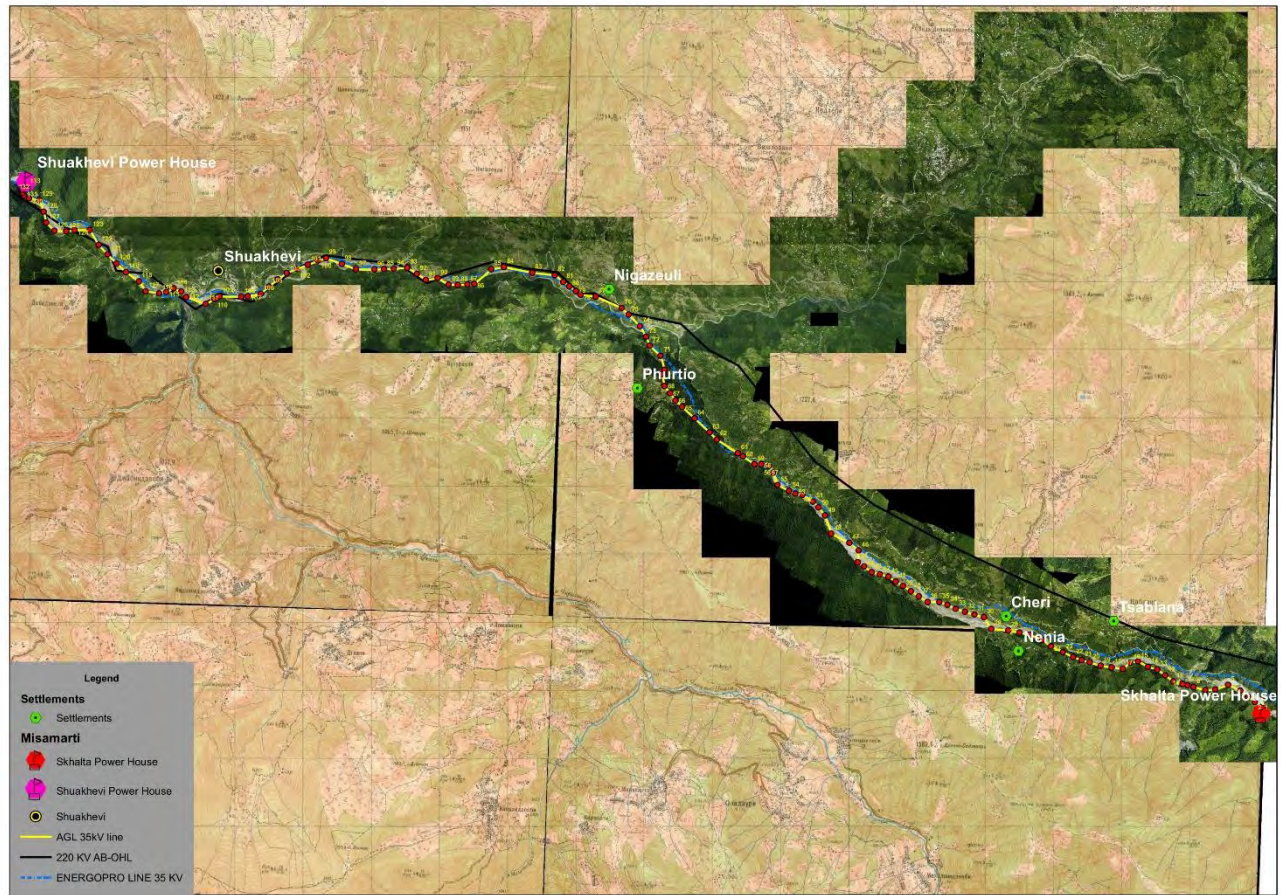
The table below presents the list of towers and the schedule to commence ground clearance and compensation payments.

Table 1: OHL Sections Grouped Along Compensation Phases

#	Sections		Distance (KM) for each section	Compensation Procedure		Construction Work Commencement Dates
	From	To		Asset Registration	Compensation payment Target Dates	
1	Tower 1	Tower 24	3,46	Upon approval of LALRP/February - April	February – April, 2017	01.03.2017-30.03.2017
2	Tower 24	Tower 51	4,4	Upon approval of LALRP/ February - April	February – April, 2017	3.04.2017-28.04.2017
3	Tower 51	Tower 69	3,03	Upon approval of LALRP/ February - April	February – April, 2017	1.05.2017-30.05.2017
4	Tower 69	Tower 91	4,32	Upon approval of LALRP/ February - April	February – April, 2017	31.05.2017-28.06.2017
5	Tower 91	Tower 111	3,5	Upon approval of LALRP/ February - April	February – April, 2017	29.06.2017-27.07.2017
6	Tower 111	Tower 133	3,6	Upon approval of LALRP/ February - April	February – April, 2017	31.07.2017-30.08.2017

The figure 1 below presents the design of the project.

Figure 1 Project layout map



1.4. Efforts to Minimize Land Acquisition and Resettlement Impacts

One of the design principles implemented during the feasibility study in 2011-2012 was to minimize land acquisition and resettlement. For the 35kV OHL Project, the following considerations were made to avoid and/or minimize land acquisition and involuntary resettlement impacts:

- (i) Refining and rerouting the project line in order to avoid residential areas;
- (ii) Reducing the number of towers by using towers that are usually used for higher voltage 110/220kV; these towers can span distances greater than a traditional 35 kV tower and as such, reduce the overall number of towers;
- (iii) Consultations with land users regarding the tower locations and relocation of towers to avoid physical displacement;
- (iv) Use of prefabricated foundations for the towers to be erected to reduce construction time and allow the land users to continue works where possible;
- (v) Use of composite ceramic insulators to reduce tower size (e.g., smaller foot prints) to reduce the area under the towers subject to permanent impact.

1.5. Organization of this Addendum

This Addendum is organized as follows:

- Section 2 Socio-economic characterization describes the socio-economic context of the affected households and their communities.
- Section 3 Land Acquisition and Livelihood Restoration Impacts provides a summary of the magnitude of displacement that will be associated with 35kV OHL Project activities.
- Section 4 Review of Legal Framework provides a brief summary of the legal basis for land acquisition in Georgia and a summary of relevant international guidelines;
- Section 5 Methods of Evaluating Assets describes the methods used to determine compensation rates and the field work undertaken to ascertain sources of livelihood of affected households.
- Section 6 Land Acquisition and Compensation Process describes the process and institutional framework for managing impacts and the entitlement matrix.
- Section 7 Stakeholder Engagement describes the process of stakeholder engagement that has been and will be undertaken with AHs and resettlement related stakeholders.
- Section 8 Grievance Management and Redress Mechanism sets out the process and procedures that will be implemented to enable APs to voice any concerns or grievances and to allow resolution;
- Section 9 Livelihood Restoration Plan describes measures that go beyond compensation to mitigate and enhance livelihood restoration and contribute to improving AHs' well-being and community development; and
- Section 10 Monitoring and Evaluation presents the process for monitoring and evaluation.

2 Socio-economic Characterization

2.1. Overview

The 22.3 km 35kV OHL passes through 13 villages, namely, Shuakhevi, Beselashvilebi, Gurdzauli, Dabazveli, Nenia, Nlgazeuli, Okropilauri, Phurtio, Kinchauri, Zmagula, Tsablana, Cheri and Chanchkhalo. This section describes the AHs and affected persons (APs) and their communities in the 35kV line area. The information is based on:

- Detailed measurement survey (DMS) of lost assets (287 land plots belonging to 221 AHs) conducted in 13 villages affected by the project. The census identified the number and gender of all family members and the detailed measurement survey recorded the type of asset and its age, size, productivity, quality or condition, use and other relevant characteristics.
- A socio-economic survey (SES) with 167 out of 221 (approximately 75% of total AHs) AHs living in the above named villages. The socio-economic survey covered the major socio-economic features of the APs, namely ethnicity, education level, modes of livelihood, and sources of income, poverty/income levels and house type/value and land tenure types. The survey established the baseline conditions with regards to well-being and access to services. The data will be used to monitor and evaluate the AHs return to conditions prior to OHL impacts and any improvements to their standard of living.

2.2. Methodology

The socio-economic survey (SES) was conducted by ACT in June-July 2016. The survey covered 167 AHs. The instrument for data collection was preliminarily agreed with AGL and included the major socio-economic features of the APs, namely ethnicity, education level, modes of livelihood, and sources of income, poverty/income levels, etc. The SES instrument is attached to the addendum, please refer to annex D.

ACT interviewers attended a training organized and conducted by ACT where the general information regarding the project, instructions for filling out the questionnaire and AH selection procedures was discussed. The training was held in regional office of ACT in Tbilisi in June, 2016.

After the data collection and data entry were completed, the statistical analysis were performed. The information below describes the socio-economic conditions of the project affected households.

2.3. Socio-Demographic Profile

167 affected households living in 13 villages were inquired under the survey – the total number of inquired persons is 838. Gender distribution of women and men among HH members is equal (women - 50%, men – 50%). As for age distribution, the biggest share of respondents belongs to 25-34 age group (men – 17%; women – 18%), and the smallest share to the youngest age category 0-4 (male – 8%; female – 6%) (**See Chart #1 and Chart #2**).

Chart # 1: Distribution of inquired respondents according to gender

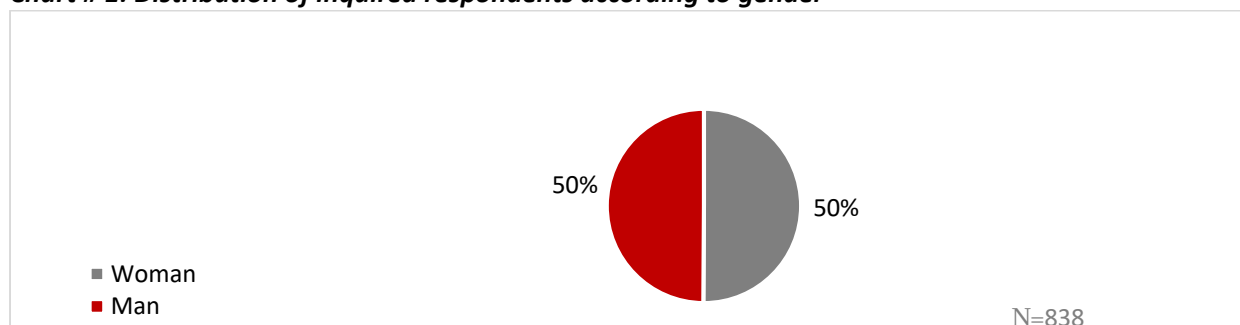
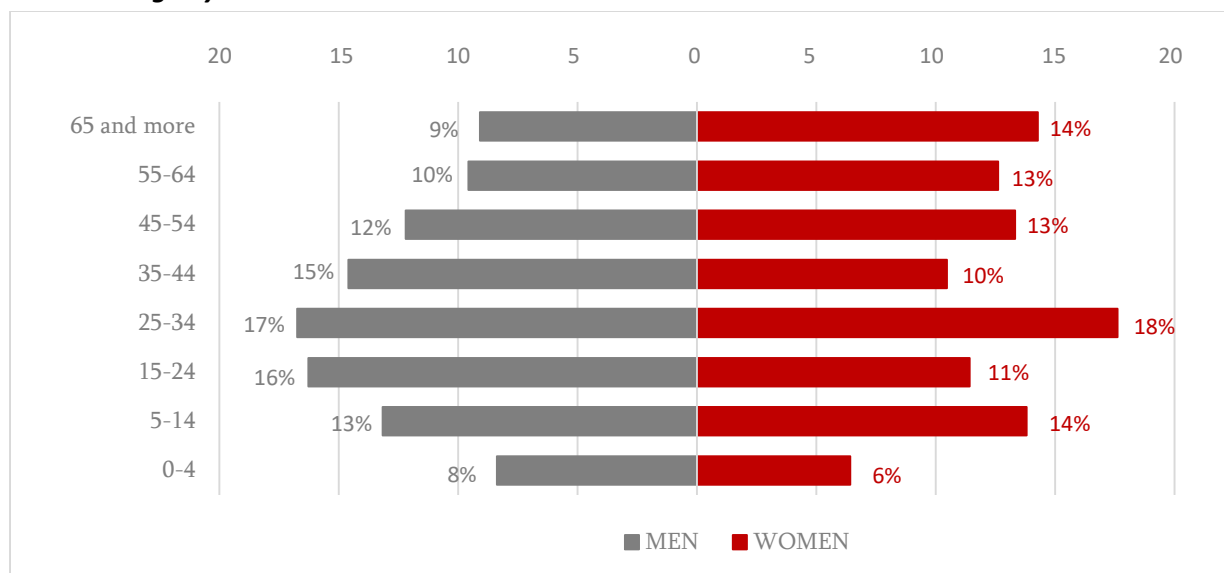
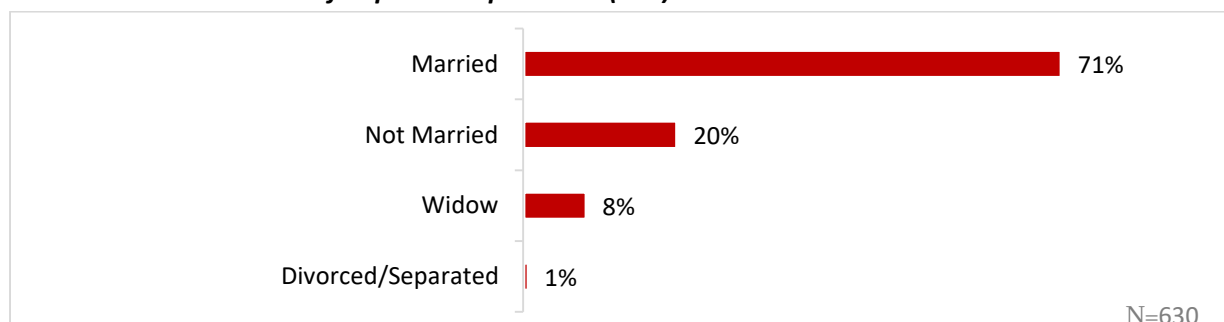


Chart # 2: Age Pyramid



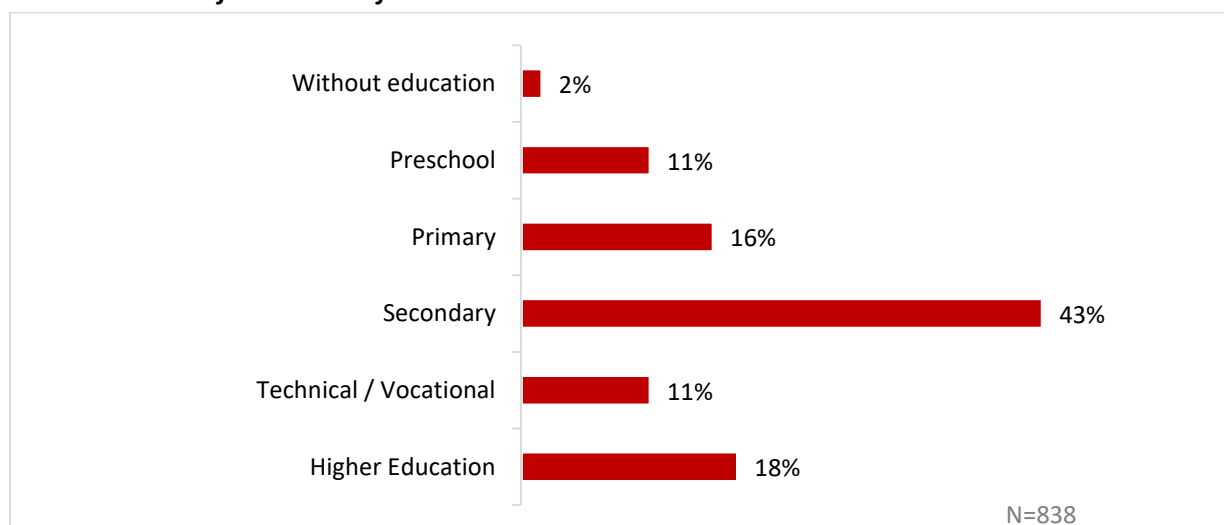
As for marital status of respondents, majority of adult residents (18+) are married (71%), 20% of them have never been married and 8% are widowed. (See Chart #3).

Chart # 3: Marital status of inquired respondents (18+)



The socio-economic study reveals that the majority of the APs has secondary education (43%). The share of the APs having higher education and technical/vocational education is less and comprises 18% and 11% accordingly. Those who have not received education amount to only 2% aged 16 or more, 11% are of preschool age (See Chart #4).

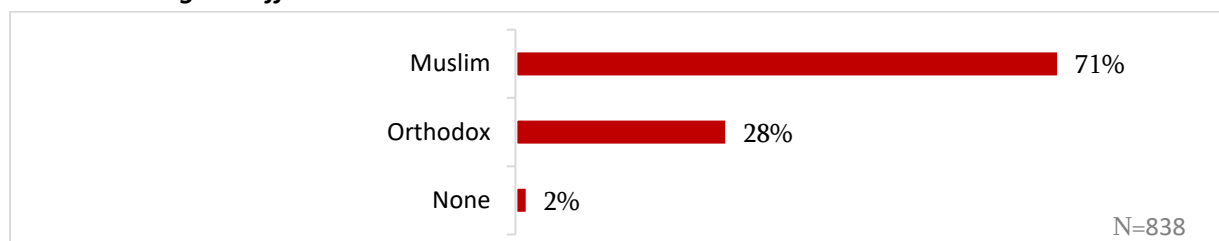
Chart # 4: Level of education of APs



The absolute majority of the target village residents (100%) is Georgian.

The majority of the respondents are Muslim (71%), 28% - Orthodox, and only 2% do not have a religious affiliation (See Chart #5).

Chart # 5: Religious affiliation



2.4. Households' Socio-Economic Conditions

The majority of the Household (HH) members does not have a specific social status⁵ (77%), the biggest groups with special social status are pensioners (15%) and disabled people (4%) (See Chart #6).

As for social status of the HHs, only 17% receive allowance for disabled, and 16% of HHs are below poverty line/ receive social allowance⁶, among those who receive social allowances, there are only 9 APs who receive both allowances, i.e. allowance for disabled and for being below poverty line (See Chart #7).

In addition, 9% of households are managed by women.

Chart # 6: Social Status of the HH members

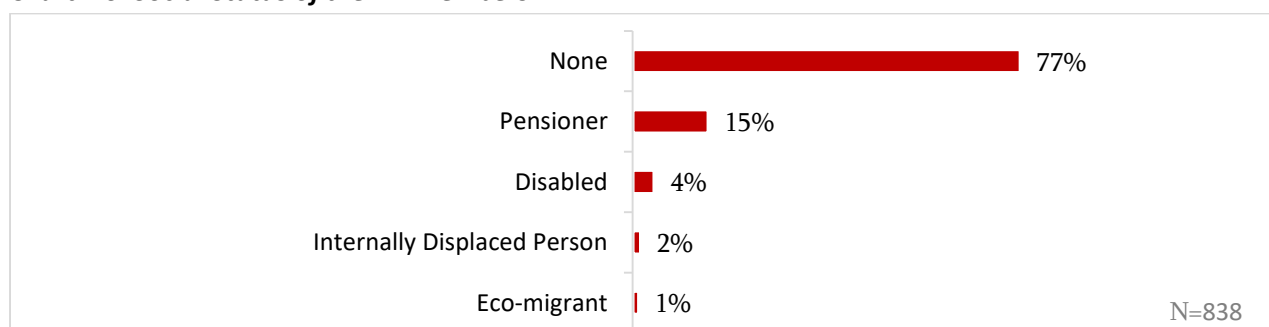
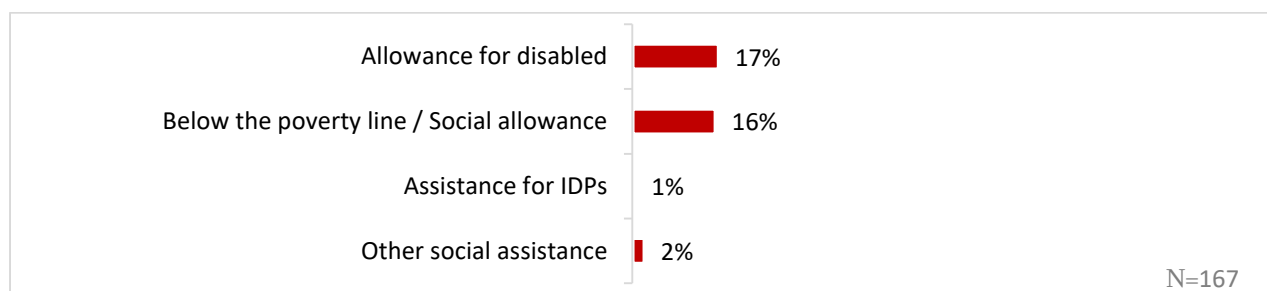


Chart # 7: HH's Social Status⁷

⁵ The detailed information regarding the state allowances is available from http://ssa.gov.ge/index.php?lang_id=GEO&sec_id=22

⁶ In Georgia, the poverty line is determined as a result of sophisticated calculations including production, consumption, cash income and assets valuation. The amount of social allowances vary according to the points assigned to households, i.e. households below 300001 points receive monthly allowance equal to 60 GEL per each household member, whereas the households below 60001 points receive 30 GEL per each household member. Source: "Decree 758 dated 2014 31 December of government of Georgia regarding approving the methodology of evaluation of socio-economic conditions of socially vulnerable households.

⁷ Allowance is received by AH not a particular AP, even though it can physically be assigned to one persons (i.e. head of AH), a household is considered to be below poverty line. Thus the share of AHs according to the social status is calculated from 167 AHs.



Every fourth AH member (15+) is a hired employee (26%), 17% is retired and 14% - a housewife. 11% of AH members is still studying (Pupil – 6%; Student – 5%). A fourth of AH members is unemployed (25%), but 80% of them desire to find a job and have been looking for one for an average of 33 months. **(See Chart #8)**

Almost one-third of employed population works in service provision (30%) and education (28%). 11% work in construction services and 8% in transportation **(See Chart #9).**

As for HH income, the highest monthly income comes from private business (805.56 GEL) and agriculture (800.71 GEL). The lowest income is through social allowances (230.65 GEL) and pensions (231.45 GEL) **(See Table #2.1).**

Chart # 8: Employment Status

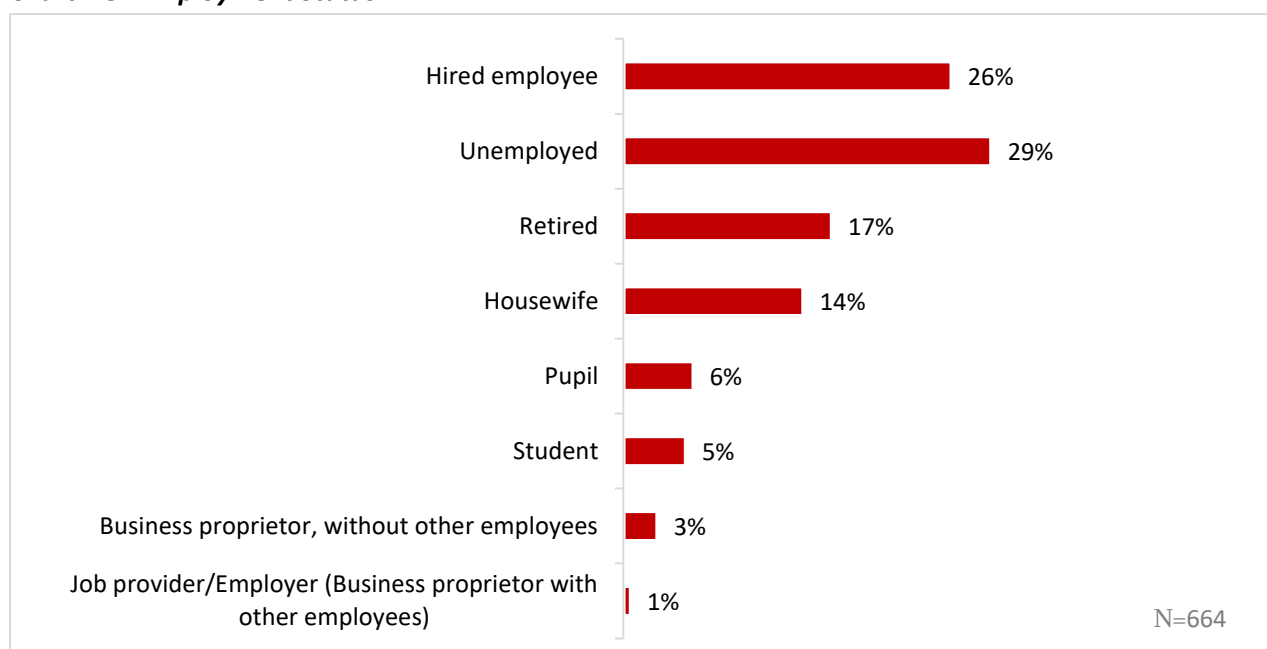


Chart # 9: Employment Field

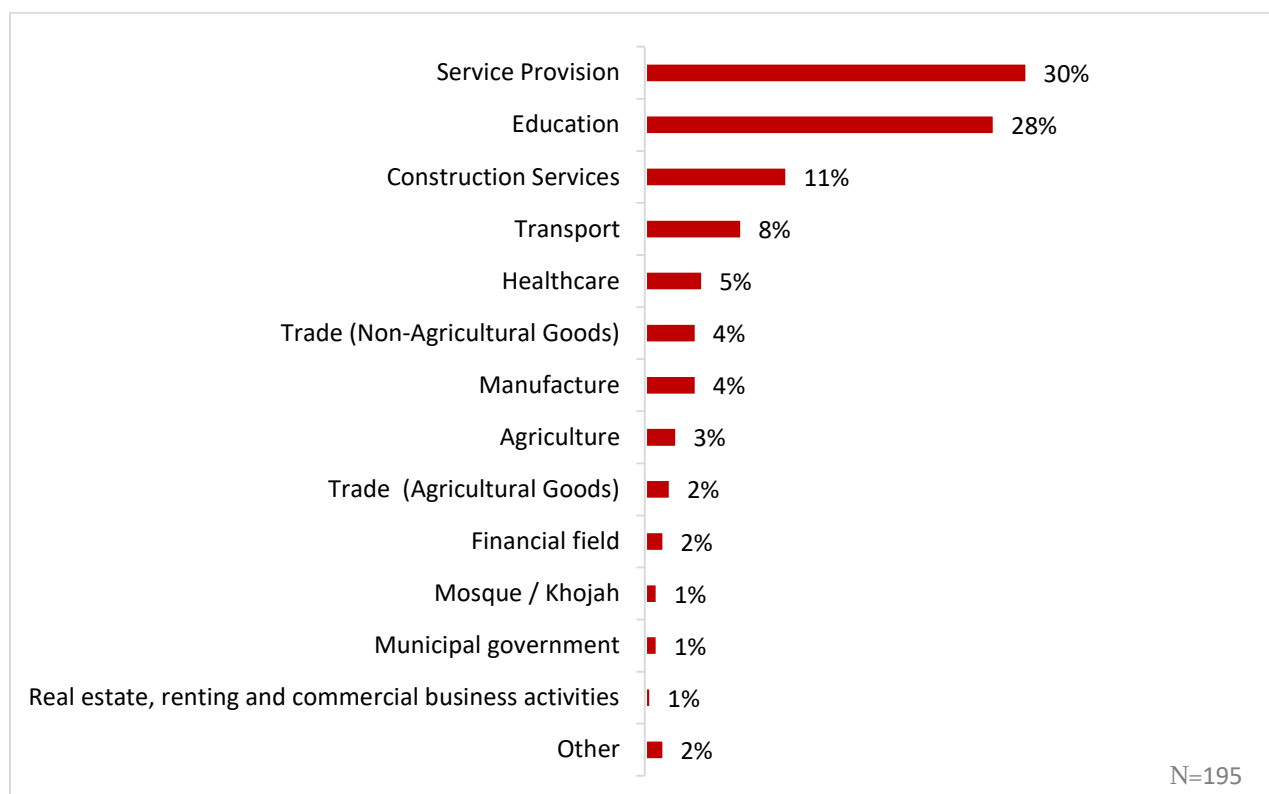


Table #2.1: HH Income Sources

Income Sources	No. of AHs	Average monthly income in GEL	Average annual income in GEL
Salary from public sector	77	543.57	6256.10
Salary from private sector	46	616.81	7241.96
Income from agriculture	40	800.71	6488.00
Pension	105	231.45	2696.61
Social allowance	23	230.65	2767.83
Assistance from relatives	2	250.00	2400.00
Private business	17	805.56	9529.41
Temporary jobs	9	330.00	1534.44
Other	1		100.00

Total average household monthly expenses comprises 627.65 GEL (which is much lower than the national monthly average)⁸. 59% of this amount (370 GEL) is spent on the purchase of food products (**See Table #2.2**).

Table #2.2: HH Expenses

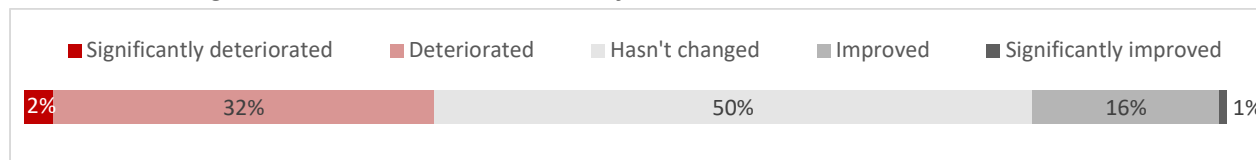
Expences	Average in GEL	%
For food	369.57	58.9
Other (not for food)	258.08	41.1
Total	627.65	100%

More than half of households have a bank loan (53%), 3.5% have a loan from a private entity and 2% have a loan from a micro-finance organization.

⁸ According to the National Statistics Office of Georgia the monthly average expenditure per household in 2015 comprised of 1111.6 GEL in urban Settlements and 897.8 GEL in rural settlements.

Half of the HHs report that their socio-economic state has not changed during the last 3 years (50%). A big share of population reports their socio-economic state being deteriorated (Deteriorated-32% +Significantly Deteriorated-2%). Only 17% state that their socio-economic state changed positively in the last 3 years (Improved-16% +significantly improved-1%) (See Chart #10).

Chart # 10: Changes to the Socio-Economic State of the HH in the Last 3 Years



61% of HHs have barely enough money for food, while 28% have enough money for food, but need to save up or loan to buy clothes and shoes (See Table #2.3).

Table #2.3: Financial Situation of HHs

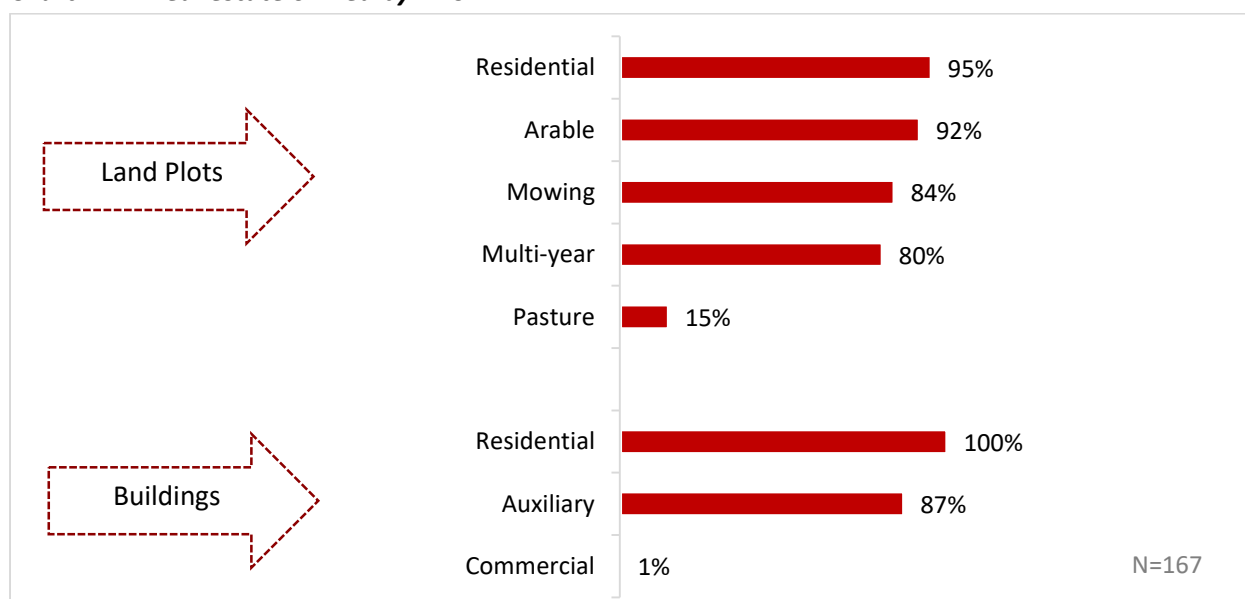
Financial Situation of HHs	No.	%
Barely enough money for food	101	60.5
We have enough money for food, however we need to save up or loan to buy clothes and shoes	47	28.1
We have enough money for food, everyday clothes and shoes, however, we need to save up or loan to buy decent clothes, mobile phone, vacuum cleaner and other household appliances	18	10.8
I do not know / Difficult to answer	1	0.6

2.5. Real Estate and Property Used⁹ by HHs

The absolute majority of HHs own/use agricultural land (99%), while more than a half of them (55%) also own/use non-agricultural land. Average area of used land is 0.26 ha. From total number of plots owned/used by HHs (N=515), 79% is agricultural, 21% - non-agricultural.

Majority of population own/use residential (95%) and arable (92%) land plots - and 84% have mowing and 80% have multi-year plots (See Chart #11).

All households (100%) own residential buildings, while 87% also own auxiliary ones (See Chart #11).

Chart # 11: Real estate owned by HHs

Most of the residential buildings are made of wood (57.4%) and stone (47.3%), only 12% are made of concrete and 8% - of brick. Most of the residential houses have either one (41%) or two (56%) floors. Only 2% have residential houses with more than two floors (See Table #2.4).

Table #2.4: Description of Residential Buildings

Used Material	%	Number of floors	%
Brick	7.7	1	41.4
Stone	47.3	2	56.2

⁹ The information collected though SES is respondent based, the households refer to the lands as under their ownership even though not having official registration valid under Georgian registration. The status of land registration is discussed in chapter 3 Land Acquisition.

Wood	57.4	3	1.2
Concrete	12.4	4+	1.2

The most frequently owned movable properties include cell phone (98%), TV (97%), refrigerator (87%), and washing machine (74%). 41% of households have a car, PC is owned by 16% of HHs and 8% have internet **(See Table #2.5)**.

Table #2.5: Movable Property

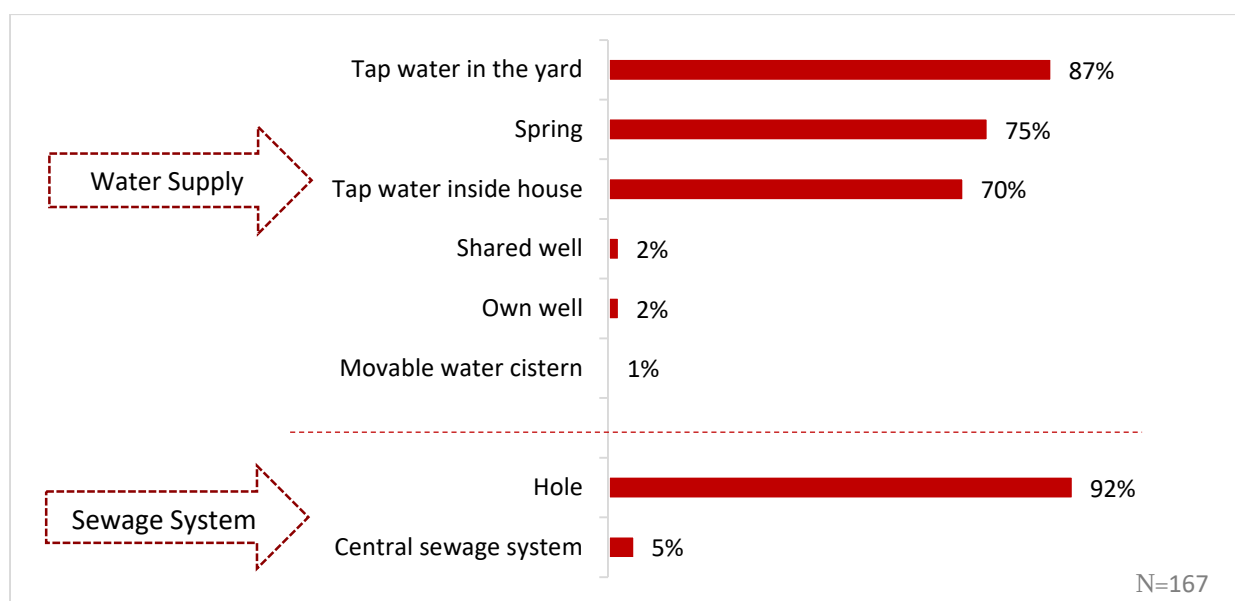
Household items	No.	%
TV	162	97.0
Landline Phone	11	6.6
Cell Phone	164	98.2
Internet	13	7.8
Radio	1	0.6
PC	27	16.2
Washing Machine	123	73.7
Refrigerator	146	87.4
Bike	3	1.8
Car	69	41.3
Bicycle	6	3.6

2.6. Access to Utilities and Public Services

The most common water sources for the HHs include tap water in the yard (87%), spring water (75%), and tap water inside the house (70%). Only a small part of the households have a shared well (2%) or their own well (2%) **(See Chart #12)**.

Absolute majority of HHs do not have access to centralized sewage system and they use individually made holes in their own yards (92%); only 5% of households are connected to centralized sewage system **(See Chart #12)**.

Chart # 12: Water Supply and Sewage System



Absolute majority of HHs has access to central electricity system (98%) and to wood (97%). 90% of households has liquid gas, while only 1% has access to natural gas (**See Table #2.6**).

Table #2.6: Access to Energy Sources

Energy Sources	No.	%
Electricity	164	98.2
Natural gas	2	1.2
Liquid gas	150	89.8
Wood	162	97.0

Waste disposal services are available to only 9% of HHs, and only 5% have access to irrigation systems.

27% of households have kindergarten age child/children at home, out of which, 60% attend kindergarten. Almost everyone who sends their children to kindergarten are satisfied with it, and 72% of HHs who don't send their children to kindergarten report that either there is no kindergarten in the village, or it is too far away.

47% HHs have school aged child/children at home; all of them send their children to school and are all satisfied with it.

92% of HHs have required medical assistance within the last 12 months for any of their family members and all of them have addressed a medical facility/doctor for the above-mentioned assistance. Almost all of the HHs who have addressed a doctor are satisfied with the provided medical services (94%).

Distance to the nearest provider of different public services is presented in the table below. Primary services such as local road and school are available in the distance of about 3 kilometers, while kindergarten and district/city hospital are located within the distance of about 15 kilometers (**See Table #2.7**).

Table #2.7: Distance to Different Public Services

Public Services	Average Distance (km)
Local polyclinics	20.1
Local hospitals	39.2

District or city hospital	14.6
Kindergarten	12.2
School	2.7
University	21.6
Local road	3.0
Central highway	5.7

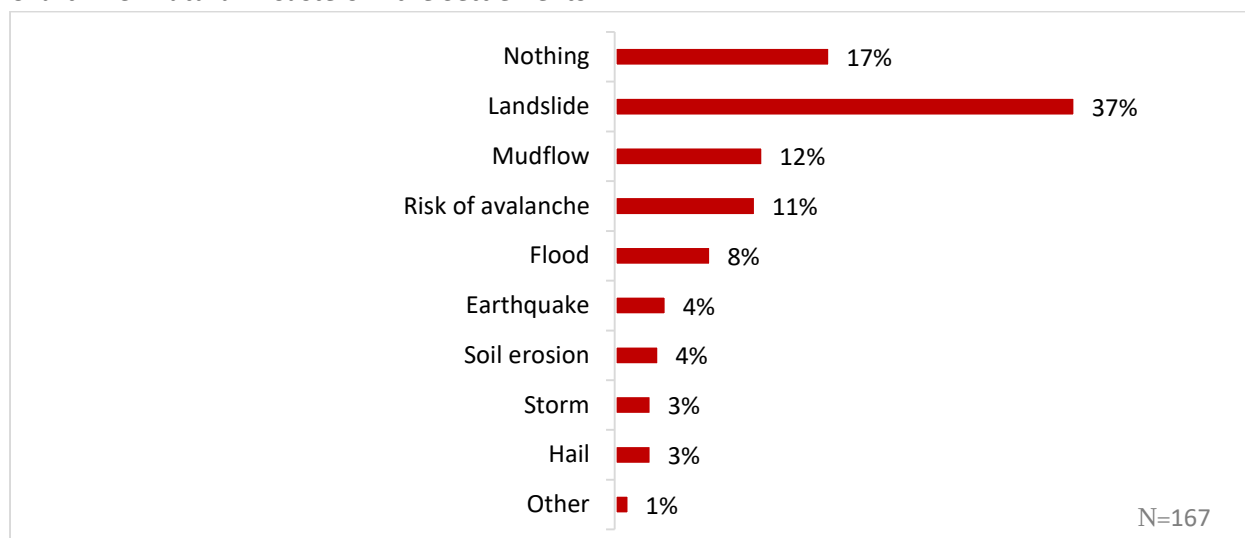
2.7. Agriculture

Only 5 Households do not cultivate the agricultural land. Two households report their poor health conditions as a hindrance, while three households state that due to a landslide their soil is not suitable for cultivation anymore. Only 25% of households that cultivate land sell the agricultural goods produced by their households.

None of the households own sheep, goats, pigs or donkeys, and only one household owns a horse. 74% HHs own cattle, on average 1.65, and 19% HHs own poultry, on average 1.14.

Since agricultural work can often be affected by natural disasters, the respondents were asked about their incidence. 17% of HHs did not report any natural disasters, among those who reported any type of calamities affecting agricultural work, the landslides were on top of the list (37%).

Chart # 13: Natural Disasters in the Settlements



2.8. Attitude towards the Project

Almost every second respondent expressed positive attitude towards the project implementation (Positive-56.0%+Very Positive-0.6%). It should be noted that 15% of HHs have negative feelings (See Table #2.8).

Table #2.8: General Attitude towards the Project

Attitude towards the Project	No.	%
Very negative		
Negative	25	15.0
Neither negative nor positive	37	22.2
Positive	95	56.9
Very positive	1	0.6
Cannot specify	9	5.4

As for the expected impact on the socio-economic development of the municipality, majority of respondents believe that the project will be beneficial in this regard (61.7%+0.6%); 13.8% of respondents expect that the project will negatively influence economic development of the municipality (See Table #2.9).

Table #2.9: Expected Impact

Expected Impact on Socio-economic Activities in the Municipality	No.	%
Very negative		
Negative	23	13.8
Neither negative nor positive	26	15.6
Positive	103	61.7
Very positive	1	.6
Cannot specify	14	8.4

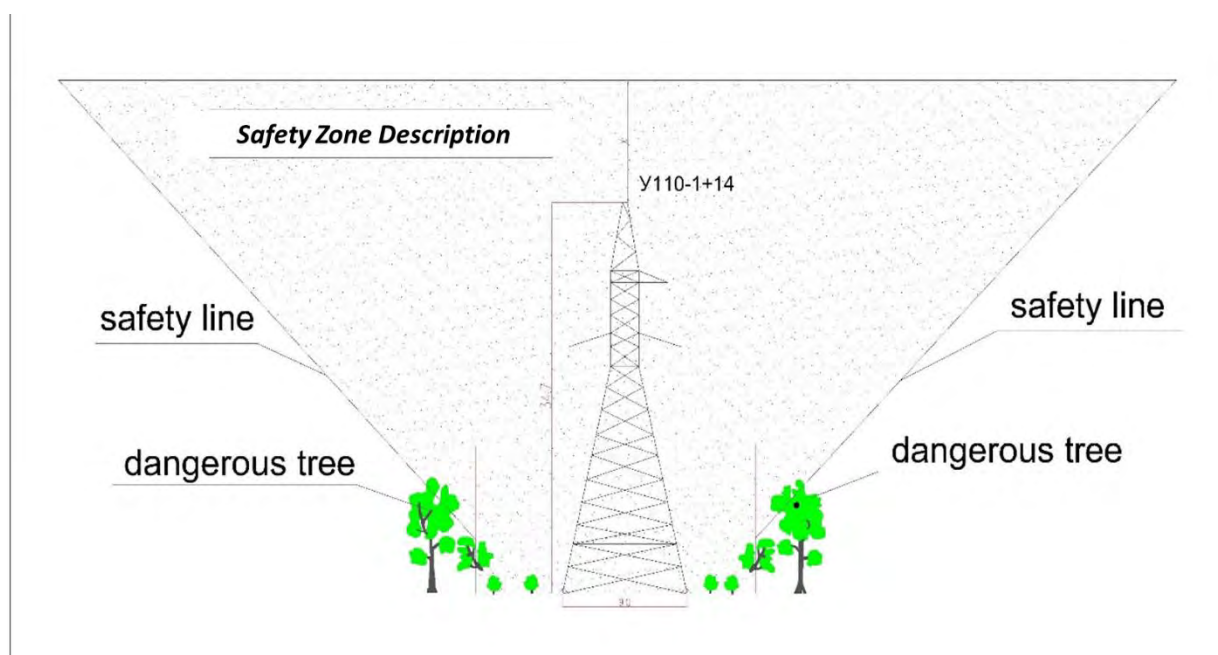
3 Land Acquisition

3.1. Overview

This section provides a summary of the magnitude of impact that will be associated with transmission line construction and operation activities. It identifies impacts based on losses including land, structure, crops, trees and income.

The impacts on land have been distinguished as a permanent impact (permanent land take) and partial impact, which means that the land is not taken and is left in a possession of the private owner, however certain limitations are imposed on the mentioned land plots in terms of admissible land use. The only land that needs to be acquired permanently for the 35kV OHL is the area falling under the tower footprints. In total 22.3 km length OHL will erect 133 towers with minimum 36 sq.m and maximum 169 sq.m footprint meaning that in total 7140.39 sq.m of legalizable land used by private users has to be acquired permanently. The other land falling within the safety corridor (40m) and imposed to only partial impacts (limitation of land use), will remain in a possession of the owners, however the affected owners will be compensated for imposed restrictions according to easement (servitude) agreement. Servitude agreement will impose the height limit of 4m. The safety zone will also impose limits to building any structures within the RoW. The table below describes the safety zone for 35kV OHL.

Figure 3.1. The Safety Zone



3.2. Land Acquisition

Permanent land acquisition and long-term partial impact on the land (envisaging restrictions on land use) for the 35kV line will affect private landowners (both registered and non-registered) and land that is State owned or managed. Also, land under forest funds will be affected by the project. In total, the project will affect 287 land plots that are in private use by 221 AHs and occupy a total area of 1,075,167 sq.m. (107 ha) (Table #3.1.). Part of this total area will be affected by the project, namely 534,683.44 sq.m (53.4 ha). Of this, 7,140.39 sq.m./0.7 ha falls under permanent and 527,543.05 sq.m./52.7 ha fall under long-term partial impact due to restricted access. Out of the affected land, 9 (8 AHs) land plots are registered (9,647.4 sq.m/0.9 ha), 29 (27 AHs) land plots are legalizable (44,915.2 sq.m/4.4 ha), meaning that the land users under this category own the documents required for land legalization under Georgian legislation. 172 (141 AHs) land plots (338,139.7 sq.m/33.8 ha) are used by the land users under traditional rights, the land plots under this category are subject to legalization. Private users also use 77 (66 AHs) land plots (141,981.14 sq.m/14.1 ha) owned by state not subject to legalization. Apart from land plots used by the private users, the project impacts the state land (3,638 sq.m/0.3 ha) and the forest funds (61,567 sq.m/ 6.1 ha), as well as land plots owned by AGL LLC (64,042 sq.m/6.4 ha). 89 AHs will permanently will lose an average of 80 sq.m. of land each; while each of 211 AHs will experience, on average, a long-term partial impact on 2387 sq.m. of land used by them. Table 3.1 provides an overview of the land-related impacts.

All land plots impacted by the project are agricultural and are used for mixed purposes (annual and perennial crops, mowing/grazing, etc.), also the share of the land permanently lost by the AHs varies from 1 to 10% (with an exception of two AHs losing 14% and 16% of their land. As for easement, the in total 66 land plots with trees fall under long-term partial impact. On average 64% of land plots with trees (62 AHs) fall under easement agreement.

Table #3.1: Land Acquisition and Long-term Partial Impact on Land

Description	No. of AHs	No. of Land Plots Under Permanent Impact	Total Area (m ²)	Area Land Plots Under Permanent Impact (m ²)	No. of Land Plots Under Long-term partial impact	Area of Land Plots Under Long-term partial impact (m ²)	Total No of Land Plots Under Impact	Total Area of Land Plots under Impact (m ²)
Land used by private users	221 ¹⁰	97	1,075,167	7,140.39	287	527,543.05	287	534,683.44
Registered	8	-	21,156	-	9	9,647.4	9	9,647.4
Legalizable	27	11	88,852.9	791.7	29	44,123.5	29	44,915.2
Owned by Traditional Rights – Legalizable	141	56	687,539.1	4,603.8	172	333,535.9	172	338,139.7
State Owned Used by Informal Users – Not Legalizable	66	30	277,619.5	1,744.89	77	140,236.25	77	141,981.14
Owned By AGL	-	-	509,614	757	-	63,285	17	64,042
Forest Funds	-	-	157,318	587	-	60,980	10	61,567
Owned by State (Not used by Informal Users)	-	-	19,966	72	-	3,566	5	3,638

AGL will purchase state owned or managed land directly from the Government. Land plots which are in use by local farmers who have no formal entitlement to the land will be registered in the name of the state. The company will purchase this land from the State although farmers will receive compensation as well, as explained further in Section 6.3 below.

Out of total 287 land plots affected by the project there are 12 land plots where the status of the ‘ownership’ between several land users is not clear. New Metal Georgia together with AGL and with support of local community leaders will facilitate the process of dispute between the land users and help with registration process as soon as the disputes are settled.

Land plots under partial long-term impact will be used by AGL under easement (servitude) agreements. Initially the land plots under project impact will be registered to land users (if legalizable), afterwards the land plot subject to permanent and partial long-term impact will be divided in two land plots, out of which one under permanent impact will be acquired and other part will be subject to compensation under servitude (easement) agreement.

Construction works will start upon signing the agreements with AHs and paying the compensations, the registration process will be done simultaneously and may take time although the construction works will start right after the agreement countersigning and compensation payment.

¹⁰ The mechanical sum of the AHs is more than the number of AHs under impact losing land plots, as one AH owns several types of land.

Table 3.2 below provides a detailed breakdown of the amount of productive land to be acquired, by affected village.

Table #3.2: Amount and Area of Productive Land acquired by the Project

Village	No of Land Plots	No of AHs	Total area of productive land belonging to AHs (m ²)	Total area of Productive land being lost by AHs/to be acquired by the project(m ²)	Proportion of Productive land being lost by AHs	Total no. of severely affected households (losing >50% of land)
Shuakhevi	12	12	83249	494	0,59%	0
Beselashvilebi	14	13	41833	175	0,42%	0
Gurdzauli (only easement)	4	4	9042	0	0,00%	0
Dabazveli	30	22	49280	480	0,97%	0
Nenia	23	17	107943	440	0,41%	0
Nigazeuli	34	26	140732	1097	0,78%	0
Okropilauri	13	10	18764	161	0,86%	0
Phurtio	35	25	136248	1223	0,90%	0
Kinchauri	41	26	146450	681	0,46%	0
Zmagula	12	7	47720	460	0,96%	0
Tsablana	33	30	147777	774	0,52%	0
Cheri	33	26	121575	1047	0,86%	0
Chanckhalo	3	3	24555	108	0,44%	0
Total	287	221	1075167	7140	0,66%	0

Only 2 AHs will lose more than 10% of their productive assets (14% and 16% of land with trees) in the project area and therefore experience significant impacts as defined by ADB, although the current framework does not consider the lost assets as severe unless 50% of the productive assets are affected permanently by the project area. Loss of more than 50% is considered as a severe impact because such a loss increases AH vulnerability. In instances where remaining portions of land are made unproductive by the loss of affected land, the additional portions will also be compensated. There are no cases of severe impacts under the project.

The Project affects one cattle shed (in use) and two remnants of building (not in use) in total. Affected structures are owned by AHs. The table below describes the details of the affected buildings.

Table #3.2: Project Affected Structures

Structure	No of Structures	No of AHs	Area of Affected Structures (M ²)	Village
Cattle shed	1	1	35.25	Nigazeuli
Remnants of the Building	2	2	115.2; 48.6	Nenia/Shuakhevi
Total Number	3	3	199.05	-

3.3. Crop Losses

Crops identified to be lost due to the project impact are detailed in the table below. In total 8590 m² of crops belonging to 12 AHs are subject to loss.

Table #3.3: Crop Losses

Crop	Number of Land Plots	Area sq.m	Number of AHs
Maize	11	8390	11
Beans	1	100	1
Potato	1	100	1

Hay	44	44995	32
Total	12	53585	40 ¹¹

3.4. Tree Losses

The Project will require several plots with trees to be acquired permanently. Table 3.4 summarizes the Project tree losses which will need to be compensated. In total 62 AHs are affected and some of them are losing several species.

Table #3.4: Tree Losses

Tree Type	No. of Trees	No. of AHs
Cherry	58	27
Apricot	1	1
Walnut	111	26
Quince	9	3
Pear	9	8
Plum	61	11
Blackberry	11	8
Chestnut	857	17
Wild Plum	77	31
Apple	53	23
Grapes	46	13
Persimmon	5	1
Fig	1	1
Berries	1	1
Total	1300	62¹²

3.5. Business Income Losses

The Project does not affect any business thus no business related income losses are experienced by the AHs.

3.6. Vulnerable AHs

The LALRP sets out AGL's policy whereby all AHs are treated in an equal manner in terms of social vulnerability. According to the SES 4 households are headed by female, 1 of the is an informal user. AGL will consider additional measures for these households that they may request based on their individual needs. These additional measures may include e.g. training, materials, medicines, fodder. Recognizing that large part of the households in the area live below the poverty line and depend on State pensions and allowances, AGL will pay each AH an additional allowance equal to 10% of the market value of the land being acquired (but not of other assets affected), thus each AH will receive land compensation plus a markup of 10% of the land valuation amount. Project LALRP also sets out the policy to compensate severely affected AHs losing more than 50% of their land. No severity allowance is envisioned as none of the AHs lose more than 50% of their land.

Tables 3.6 and 3.7 provide a summary of the Project's impacts to AH and AP.

¹¹ Mechanical sum of the AHs is more than the sum of AHs actually subject to crop losses as some AHs grow more than one type of the crop.

¹² Mechanical sum of AHs is more than the number of AHs actually losing the trees due to project impact, as one AH may own several species of the trees.

3.7. Summary of AHs Impacts

The AH/AP Survey identified 221 AHs, of whom 167 responded to the survey. These 167 AHs comprise of 838 APs (419 males and 419 females). As mentioned previously, based on the LALRP policy, all AHs and therefore APs are considered vulnerable.

Tables 3.6 and 3.7 provide a summary of the Project's impacts to AH and AP.

Table #3.6: Summary of Impacts on Land

Loss Category	No. of AHs	N of Land plots under permanent impact	N of Land plots under long-term partial impact	Total Area	Area under permanent impact (sqm)	Area under long-term partial impact	Unit
Land in private use	221	97	287	1075167,45	7140,39	527,543.05	m ²
Registered	8	0	9	21156	0	9647,4	m ²
Legalizable	27	11	29	88852,9	791,7	44123,5	m ²
Owned by Traditional Rights – Legalizable	141	56	172	687539,05	4603,8	333535,9	m ²
State Owned Used by Informal Users – Not Legalizable	66	30	77	277619,5	1744,89	140236,3	m ²
Land Owned By AGL				509614	757	63285	m ²
Forest Funds				157318	587	60980	m ²
Owned by State (Not used by Informal Users)				19966	72	3566	m ²

Table #3.7: Summary of Impacts on Business, Crops and Structures

Loss Category	N of AHs	N of lost assets	Unit
Business income and employment wages	0	0	N
Trees	62	1,300	N
Annual Crops	40	53,585	m ²
Structures	3	3	N

4 Review of Legal Framework

4.1. Overview

This section provides a summary of the relevant legal framework in Georgia as well as international standards applicable to land acquisition and resettlement processes. The Addendum to LALRP provides more details with a detailed gap analysis between Georgian legislation and international standards on land acquisition and resettlement.

4.2. Georgia's Laws and Regulations on Land Acquisition and Resettlement

The legal framework relating to land administration in Georgia is wide reaching and complex. In certain cases of public need, the State may take private lands into State ownership or take actions that otherwise affect private land. Laws governing the process are presented in Table 4.1.

Table #4.1: Laws governing the process

Date	Relevant Georgian Laws
1995	The Constitution of Georgia
1997	The Civil Code of Georgia
1997	The Civil Procedural Code
1997	Law on Payment of Substitute Land Reclamation Cost and Damages in Allocating Farm Land for Non-Farming Purposes (amended 2007)
2007	The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities
1999	The Law on Procedures for Expropriation of Property for Necessary Public Need
1997	The Law On the Rule for Expropriation of Ownership for Urgent Public Needs
1996	The Law on Ownership Rights to Agricultural Land

2005	The Law on Registration Ownership Rights to Immovable Property
2007	Cultural Heritage Law
2008	Law on Public Register
2009	The Law of Georgia on Notary Actions
2009	Presidential Decree #964 On the Protection Procedures for Electricity Grid Linear Facilities and Determination of its Protective Zones
2010	The Law of Georgia on State Property

In the last fifteen years, Georgia has updated a number of its laws which relate to rights to property and expropriation. A key principle in current legislation is that compensation of physical assets should be provided based on current market prices without depreciation. The laws also provide for compensation from income losses (such as loss of harvest or business closure) to cover net losses. In addition, the newer legislation places a stronger emphasis on consultation and prior notification of APs so that they can participate in the process.

AGL has consulted with the legal department of the Ministry of Energy and Natural Resources who have informed them that they may legally enter into negotiated agreements with APs to acquire land rights within the framework of the above laws. The laws and implementing regulations offer the following possibilities to AGL in legal acquiring land rights:

- Obtaining property rights through voluntary negotiated settlements based on payment of fair market prices without depreciation prior to the start of any project enabling or civil works;
- Only if and when efforts at negotiated settlement fail, the possibility of obtaining permanent rights to land or other necessary assets through expropriation. A presidential order is required for expropriation, followed by a court ruling to determine the case for public need.

4.3. IFC, EBRD and ADB's Land Acquisition, Involuntary Resettlement and Economic Displacement Safeguard

IFC land acquisition and livelihood restoration requirements are presented in IFC Performance Standard 5 – Land Acquisition and Involuntary Resettlement (IFC PS5), EBRD's are laid out in "Land Acquisition, Involuntary Resettlement, and Economic Displacement", Performance Requirement 5 (EBRD PR5) and ADB's are presented in Safeguard Requirement 2 – Involuntary Resettlement (ADB SR2).

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that result in displacement. Although every effort to avoid involuntary land acquisition is being made, the Project can resort to expropriation or impose legal restrictions on land use if negotiations fail. Hence IFC PS5, EBRD PR5 and ADB SR2 are triggered and their requirements must be met as required under the legal agreements signed by AGL with all Lenders.

Sections 4.5 and 4.6 of the 2014 LALRP¹³ provides an analysis of the gaps between Georgian Laws and Lenders' policies and requirements. The key measures to bridge the gaps, which form the policy of AGL in addressing Project land acquisition and resettlement, are:

- An LALRP is prepared for the project for permanent land acquisition;
- There is consultation with affected persons, socio-economic surveys and consideration of vulnerability; Resettlement is avoided wherever possible and adverse impacts will be minimised first and mitigated second;
- 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;

¹³ Available from <https://www.adb.org/sites/default/files/project-document/154041/47919-014-rp-01.pdf>

- Options for compensation, such as land-for-land and full or partial cash compensation, are presented to APs wherever this is practical;
- Cash compensation is based on replacement cost;
- The Project established a transparent and accessible grievance mechanism for APs to use throughout the land acquisition process;
- For the purposes of this Project, all AHs are considered to be vulnerable and will be treated as such;
- 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 measurement and valuation;
- APs, who are all considered vulnerable have been included in consultation activities;
- Resettlement information was communicated to the APs during the community and individual meetings, this Addendum to the LALRP should be disclosed to APs once it is approved by EBRD, IFC and ADB;
- this Addendum LALRP will also be disclosed on ADB website;
- Internal and external monitoring reports will be disclosed on ADB website.
- Livelihood restoration and resettlement activities will be monitored during Project implementation via internal monitoring and resettlement completion audits.

5 Methods of Evaluating Assets

5.1. Overview

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

5.2. Replacement Cost as the Basis for Compensation

The Project has decided to compensate for losses with cash rather than in-kind compensation.

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

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

IFC, EBRD and ADB require replacement cost to be the basis of cash compensation for mitigating losses when in-kind compensation (i.e. land for land) is not possible. Replacement cost is defined as the market value of the assets plus transaction costs. Depreciation of structures and assets is not taken into account. APs should not have to use their own financial resources in replacing assets of similar value. This means replacement costs incorporate relevant transfer taxes, registration fees, and any other costs for land acquisition.

5.3. Determination of Compensation Values

This section describes how valuing of assets was carried out. The methodology for valuing various assets is summarized below:

5.4. 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 (i.e. the land plot in question was sold or bought).

Land plots subject to valuation are located in Khulo and Shuakhevi municipalities (Villages: Gurzauli, Tsablana, Kinchauri, Cheri, Zmagula, Phurtio, Nigazeuli, Nenia, Chanchkhalo, Okropilauri, Dabazveli, Beselashvilebi, Shuakhevi). OHL project is located in the ravine of river Adjaristqali.

The land plots to be evaluated are different with 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 evaluate 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 evaluation conducted by Expert 21, in order to define market price of plots, the valuator company (Expert 21) has obtained data about analogues which is based on the deals provided by National Agency of Public Registry. Besides, we need to mention that National Agency of Public Registry owns very scarce information about sales operations on plots of land in Shuakhevi and Khulo districts as there are almost no free plots of land due to peculiarity of the land (downhill, steep) and what's also very important, residential plots are distributed among the families residing in the village for a really long time and are inherited or granted from generation to generation. Analogues for defining the market price of land were searched for analogical goal – based on agreements signed on compensation for plots of land affected by different projects. We have also taken information obtained as a result of oral inquiries with population into account.

Information about analogues, source of information is presented in Table 5.1 which also contains corrections made for plots of land which appeared under the electricity transmission line RoW (in GEL, unit 1.00 sq.m).

Table #5.1: Analogues

Description	Object of evaluation	Analogue 1	Analogue 2	Analogue 3	Analogue 4	Analogue 5
District	Shuakhevi-Khulo	Keda	Shuakhevi	Khulo	Khulo	Khulo
Address		Dandalo	Village Takidzeebi	Ghurta	Didadjara	Didadjara
Type of transaction	Sale	Sale	Sale	Grant of property	Sale	Grant of property
Date of sale (offer)	Ongoing	22.05.2016	01.08.2016	22.08.2015	10.09.2015	10.09.2015
Source	-	Id. code 21.09.33.201	Id. code 24.07.35.328	Deal	23.03.34.030	Deal
Buyer		JSC Georgian State Electro system	JSC Georgian State Electro system	Adjaristsqali Georgia LLC	Adjaristsqali Georgia LLC	Adjaristsqali Georgia LLC
Seller		Davit Jortmendaze	Davit Jakeli	Pridon Ghorjomeladze	Bidzina Shavadze	Bidzina Shavadze
Type of property	Plot of land	Plot of land	Plot of land	Plot of land	Plot of land	Plot of land
Area of plot, sq.m		324	785	3000	1500	1258

Entire amount of deal, GEL		4 860	3 925	30 822	19 916	13 764
Price of 1 sq.m, GEL		15.00	5.00	10.27	13.28	10.94
Purpose	Arable	Arable	Arable	Arable	Arable	Arable
Correction		0%	0%	0%	0%	0%
		0	0	0	0	0
Corrected price		4860	3925	30822	19916	13764
Use	Residential	Mowing	Mowing, pasture	Mowing	Mowing	Mowing
Correction		10%	15%	10%	10%	10%
		486	589	3082	1992	1376
Corrected price		5346	4514	33904	21908	15140
Market conditions (time)	Ongoing	Two months	Ongoing	Eleven months	Eleven months	Eleven months
Correction		0%	0%	10%	10%	10%
		0	0	3390	2191	1514
Corrected price		5346	4514	37295	24098	16654
Location	Adjaristsqali ravine, Shuakhevi-Khulo section	Village Dandalo	Village Takidzeebi	Village Ghurta	Didadjara	Didadjara
Correction		0%	5%	0%	-5%	0%
		0	226	0	-1205	0
Corrected price		5346	4739	37295	22893	16654
Description	Slope	Analogical	Steep	Analogical	analogical	Analogical
correction		0%	5%	0%	0%	0%
		0	237	0	0	0
Corrected price		5346	4976	37295	22893	16654
Total correction	Amount	5346	4976	37295	22893	16654
	%	10	27	21	15	21
	Coefficient	1.10	1.27	1.21	1.15	1.21
Final corrected price of sale 1 sq.m		16.50	6.34	12.43	15.26	13.24

Comment for correction:

- First correction envisages purpose of land (arable, non-arable);
- Second correction envisages use of land (residential, for ploughing-seeding, for harvesting annual crops, mowing plots, pastures, plots under orchard and etc.)
- Third correction envisages market conditions, namely, differences between dates of providing sold plots and changes on real estate market;
- Fourth correction envisages location of plot, namely, its distance from highway, settlement, different infrastructures, etc.)
- Fifth correction is made in compliance with physical peculiarities (area, parameters, structure, etc.)

Estimating the land compensation value

As a result of analyzing analogues and studying corrected prices of the data, estimation of price unit of plots of land to be estimated was carried out by means of calculating average weighted value. In the process of agreeing corrected prices, more weight will be given to those analogues which stand the closest for comparison with the object and in which the smallest correction was made.

Unit price value (by using average weighted value) of plots of land to be evaluated was calculated by means of the following formula:

$$n \left\{ n \right\} 36$$

$$V_{wa} = \sum_{i=1} P_i * (R_i / \sum R)$$

V_{wa} – average weighted value;

P_i – corrected price of each analogue.

Σ R – sum of rating weights of corrected price of analogues to be compared

R_i – rating weight of corrected price of each object to be compared.

Thus, calculation of market price of the object implemented by means of average weighted value is given in Tables 5.2 and 5.3.

Note: prices of plots were estimated by considering current demand-supply conditions of the market and factors that influence the price (purpose, use, distance from leisure and recreational areas, distance from highways, communications, etc.). For this purpose, we have studied information on Georgian real estate market which is based on the existing deals on the market and information on deals provided by National Agency of Public Registry. Basic price was estimated in terms of arable plot of land. Correlation between estimated price and the prices of the remaining plots was identified according to this information.

Table #5.2: Prices of Analogues

Description	P _i	R _i	V _i
Price of the corrected analogue No. 1	16.50	1.10	3.06
Price of the corrected analogue No. 2	6.34	1.27	1.35
Price of the corrected analogue No. 3	12.43	1.21	2.53
Price of the corrected analogue No. 4	15.26	1.15	2.95
Price of the corrected analogue No. 5	13.24	1.21	2.70
Σ R		5.94	
V_{wa}			12.60
Corrected market value of 1 sq.m land to be evaluated, Gel			12.60

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. As a result, pre-project market value of a land parcels will be diminished to some extent; more specifically, residential land parcels will only be valid for growing annual crops and species of perennial crops that do not grow higher than 4 m. Thus, the best potential use of residential land parcels will change to arable after the completion of construction activities. The easement price the land is derived as a difference between the market cost of this type of land at present (before the project) and after the project impact (land use restrictions imposed). Thus, the land costs for various the land plots were estimated as follows:

Table #5.3: Calculation of the compensation amounts of the land plots for different types and functions

#	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	16.38	8.19
2	Arable land plots situated near the central highway and residential house used for cultivating and harvesting agricultural crops (annual and /or perennial)	15.12	6.93
3	Arable/non-arable land plots situated far from the central highway and residential house and used for ploughing, mowing and/or growing orchards.	12.60	4.41
4	Plots of land part of which belongs to III group and part belongs to V group.	10.71	2.52
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);	8.19	1.23
6	Plots of land part of which belongs to V group and part of which belongs to VII group.	6.93	1.04
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	5.04	0.76

5.5. Compensations for Annual Crops and for Trees

This item has been valued based on area of affected crops and current gross local market values of the crop. The details are given in Table 5.4.

Table #5.4: Compensation Rates for Annual Crops

Species	Unit	Harvest on 1 h plot of land	Market price of species, GEL	Compensation for harvest on 1 h, GEL	Compensation for harvest on 1 sq.m., GEL	Total are under impact (sq.m.)	Compensation for affected crops
Potato	ton	26	600	15600	1.56	100	156
Beans	kg	800	5	4000	0.4	100	40
Maize	kg	5000	0.8	4000	0.4	8390	3356
Hay	Bale	1200	0.12	1200	0.12	44995	5399

In order to calculate compensation rates of perennial crops, we used a methodology of defining lost income in the period of time the existing plant needs to reach the age of analogical plant.

Price of perennial plants is estimated according to its age. Price of fruit trees will be calculated by means of multiplying market price of annual harvest with the number of years that will be necessary for new perennial plants to reach the age of existing trees.

Evaluation of fruit trees was carried out by means of the following formula:

$$Q = N + pY + 0,15pY - 0,25pY [a_f - x]^1, [x - 1]^2, [a_s - 1]^3 \quad a_s < x < a_f,$$

where:

Q – compensation rate of perennial trees;

N – retail price of the sapling

p – retail price of fruit/product which is identified according to the current market prices;

Y – estimation of harvest in kg which is identified according to information provided in Monograph on Fruit-growing in Georgia written by doctor of Statistics Department and Agricultural Sciences, true member of Academy of Agricultural Sciences of Georgia and Russia, nominee of state award of Georgia, Mr. Gogotur Agladze, volume III (1973) and volume IV (1978).

0,15pY – expenses related to planting and nursing plants before the age of harvesting;

0,25pY – gardening, harvesting, storing, supplying and other ongoing expenses;

X – current age of perennial plants which is identified as a result of visual observation of plant and inquiring the owner;

a_s – age of starting full fructification, based on information provided by specialists;

a_f – age of finishing fructification, based on information provided by specialists;

1 – number of years left till the end of fructification of concrete species of tree;

2 – number of years necessary for growing to the current age of tree;

3 – number of years the tree needs to reach full fructification.

Note: one from versions 1, 2, and 3 will be used according to its relevance (with priority of fewer years), it will be used to identify the amount of compensation of lost income for specific tree.

Note: The replacement price of fruit trees was calculated by estimating the market value of fruit to be lost by the affected family during the time it would take to grow a replacement tree to fruit-bearing maturity (i.e. for five or eight years, depending on tree type). This involved multiplying the annual average harvest of each fruit tree type by the market price per kilo in order to establish an annual cost, then multiplying this by the number of years that a replacement tree would take to reach maturity, i.e. 8 years for walnut, quince and mulberry trees, and 5 years for other trees.

Table #5.5: Compensation Rates for Perennial Crops

Plant	Age group	Saplings, GEL	Price of harvest in units, GEL	Number of years to be compensated (time needed to reach maturity)	Total productivity per year, kg	Compensation for one year harvest including expenses to be made (GEL)				Total compensation for adult perennial plant (GEL)
						Income from selling	Expenses related to taking care of, growing of plants	Expenses related to taking-supplying the harvest	Expected profit per year including expenses	
1	2	3	4	5	6	7	8	9	10	11
Cherry (sweet cherry)	Young plant (<5)	5	2.00	5	3	6.00	0.90	1.80	5.10	30.50
	5-10	5	2.00	5	10	20.00	3.00	6.00	17.00	90.00
	10-20	5	2.00	5	16	32.00	4.80	9.60	27.20	141.00

Plant	Age group	Saplings, GEL	Price of harvest in units, GEL	Number of years to be compensated (time needed to reach maturity)	Total productivity per year, kg	Compensation for one year harvest including expenses to be made (GEL)				Total compensation for adult perennial plant (GEL)
						Income from selling	Expenses related to taking care of, growing of plants	Expenses related to taking-supplying the harvest	Expected profit per year including expenses	
	20+	5	2.00	5	10	20.00	3.00	6.00	17.00	90.00
Peach	Young plant (<5)	6	1.50	5	4	6.00	0.90	1.80	5.10	31.50
	5-10	6	1.50	5	15	22.50	3.38	6.75	19.13	101.63
	10-20	6	1.50	5	40	60.00	9.00	18.00	51.00	261.00
	20+	6	1.50	5	25	37.50	5.63	11.25	31.88	165.38
Apricot (wild apricot)	Young plant (<5)	4	1.50	5	3	4.50	0.68	1.35	3.83	23.13
	5-10	4	1.50	5	15	22.50	3.38	6.75	19.13	99.63
	10-20	4	1.50	5	40	60.00	9.00	18.00	51.00	259.00
	20+	4	1.50	5	25	37.50	5.63	11.25	31.88	163.38
Walnut	Young plant (<8)	10	5.00	5	4	20.00	3.00	6.00	17.00	95.00
	8-10	10	5.00	8	15	75.00	11.25	22.50	63.75	520.00
	10-20	10	5.00	8	30	150.00	22.50	45.00	127.50	1030.00
	20+	10	5.00	8	50	250.00	37.50	75.00	212.50	1710.00
Quince	Young plant (<5)	4	1.50	5	3	4.50	0.68	1.35	3.83	23.13
	5-10	4	1.50	8	15	22.50	3.38	6.75	19.13	157.00
	10-20	4	1.50	8	30	45.00	6.75	13.50	38.25	310.00
	20+	4	1.50	8	20	30.00	4.50	9.00	25.50	208.00
Pear	Young plant (<5)	4	1.20	5	7	8.40	1.26	2.52	7.14	39.70
	5-10	4	1.20	5	20	24.00	3.60	7.20	20.40	106.00
	10-20	4	1.20	5	70	84.00	12.60	25.20	71.40	361.00
	20+	4	1.20	5	45	54.00	8.10	16.20	45.90	233.50
Plum	Young plant (<5)	4	0.80	5	8	6.40	0.96	1.92	5.44	31.20
	5-10	4	0.80	5	15	12.00	1.80	3.60	10.20	55.00
	10-20	4	0.80	5	30	24.00	3.60	7.20	20.40	106.00
	20+	4	0.80	5	20	16.00	2.40	4.80	13.60	72.00
Mulberry	Young plant (<5)	5	1.50	5	4	6.00	0.90	1.80	5.10	30.50
	5-10	5	1.50	8	10	15.00	2.25	4.50	12.75	107.00
	10-20	5	1.50	8	16	24.00	3.60	7.20	20.40	168.20
	20+	5	1.50	8	10	15.00	2.25	4.50	12.75	107.00
Hazelnut	Young plant (<5)	1	4.00	3	2	8.00	1.20	2.40	6.80	35.00

Plant	Age group	Saplings, GEL	Price of harvest in units, GEL	Number of years to be compensated (time needed to reach maturity)	Total productivity per year, kg	Compensation for one year harvest including expenses to be made (GEL)				Total compensation for adult perennial plant (GEL)
						Income from selling	Expenses related to taking care of, growing of plants	Expenses related to taking-supplying the harvest	Expected profit per year including expenses	
	5-10	1	4.00	5	5	20.00	3.00	6.00	17.00	86.00
	10-20	1	4.00	5	6	24.00	3.60	7.20	20.40	103.00
	20+	1	4.00	5	4	16.00	2.40	4.80	13.60	69.00
Cherry plum	Young plant (<5)	3	0.80	5	7	5.60	0.84	1.68	4.76	26.80
	5-10	3	0.80	5	15	12.00	1.80	3.60	10.20	54.00
	10-20	3	0.80	5	50	40.00	6.00	12.00	34.00	173.00
	20+	3	0.80	5	25	20.00	3.00	6.00	17.00	88.00
Apple	Young plant (<5)	4	1.50	5	5	7.50	1.13	2.25	6.38	35.88
	5-10	4	1.50	5	25	37.50	5.63	11.25	31.88	163.38
	10-20	4	1.50	5	70	105.00	15.75	31.50	89.25	450.25
	20+	4	1.50	5	40	60.00	9.00	18.00	51.00	259.00
Grapes/vine	Young plant (<5)	2	1.00	5	5	5.00	0.75	1.50	4.25	23.25
	5-10	2	1.00	5	7	7.00	1.05	2.10	5.95	31.75
	10-20	2	1.00	5	9	9.00	1.35	2.70	7.65	40.25
	20+	2	1.00	5	5	5.00	0.75	1.50	4.25	23.25
Cornel	Young plant (<5)	3	2.00	5	2	4.00	0.60	1.20	3.40	20.00
	5-10	3	2.00	5	3	6.00	0.90	1.80	5.10	28.50
	10-20	3	2.00	5	4	8.00	1.20	2.40	6.80	37.00
	20+	3	2.00	5	3	6.00	0.90	1.80	5.10	28.50
Persimmon/Japanese apple	Young plant (<5)	2	0.60	5	5	3.00	0.45	0.90	2.55	14.75
	5-10	2	0.60	5	10	6.00	0.90	1.80	5.10	27.50
	10-20	2	0.60	5	30	18.00	2.70	5.40	15.30	78.50
	20+	2	0.60	5	20	12.00	1.80	3.60	10.20	53.00
Fig	Young plant (<5)	3	1.50	5	5	7.50	1.13	2.25	6.38	34.88
	5-10	3	1.50	5	10	15.00	2.25	4.50	12.75	66.75
	10-20	3	1.50	5	30	45.00	6.75	13.50	38.25	194.25
	20+	3	1.50	5	20	30.00	4.50	9.00	25.50	130.50
Pomegranate	Young plant (<5)	4	2.00	5	5	10.00	1.50	3.00	8.50	46.50
	5-10	4	2.00	5	10	20.00	3.00	6.00	17.00	89.00
	10-20	4	2.00	5	30	60.00	9.00	18.00	51.00	259.00
	20+	4	2.00	5	20	40.00	6.00	12.00	34.00	174.00

Plant	Age group	Saplings, GEL	Price of harvest in units, GEL	Number of years to be compensated (time needed to reach maturity)	Total productivity per year, kg	Compensation for one year harvest including expenses to be made (GEL)				Total compensation for adult perennial plant (GEL)
						Income from selling	Expenses related to taking care of, growing of plants	Expenses related to taking-supplying the harvest	Expected profit per year including expenses	
Berries	Young plant (<5)	2	2.50	5	2	5.00	0.75	1.50	4.25	23.25
	5-10	2	2.50	5	3	7.50	1.13	2.25	6.38	33.88
	10-20	2	2.50	5	4	10.00	1.50	3.00	8.50	44.50
	20+	2	2.50	5	3	7.50	1.13	2.25	6.38	33.88
Cherry laurel	Young plant (<5)	2	1.00	5	2	2.00	0.30	0.60	1.70	10.50
	5-10	2	1.00	5	10	10.00	1.50	3.00	8.50	44.50
	10-20	2	1.00	5	20	20.00	3.00	6.00	17.00	87.00
	20+	2	1.00	5	15	15.00	2.25	4.50	12.75	65.75

5.6. Buildings Valuation

Buildings under project impact have been valued at replacement cost based on the direct and indirect costs at market value necessary for the construction of a comparable building i.e. what construction of a building of similar parameters would cost today. No deductions were made for amortization. The parameters for calculating the direct and indirect costs are the following as applicable to individual cases.

a. Direct costs include:

- (i) Salaries of workers;
- (ii) Purchase of construction materials;
- (iii) Preparatory expenses;
- (iv) Rent or purchase of equipment;
- (v) Profit and overhead expenses of the constructor;
- (vi) Expenses incurred to ensure safety measures during the construction/repair;
- (vii) The cost of arranging temporary structures;
- (viii) Temporary communications (electricity, water, gas supply etc.);
- (ix) Warehouse costs;
- (x) Transportation costs;
- (xi) Other costs

b. Indirect costs include:

- (i) Cost of professional services:
 1. Compensation of the architect/designer;
 2. Compensation for engineering services;
 3. Legal expenses;
 4. Compensation for valuator's services;
 5. Other expenses
- (ii) Expenses incurred to receive permits;
- (iii) Insurance costs;
- (iv) Financing %;
- (v) Guarantee necessary to secure the contract implementation by the contractor building the new building;

(vi) Other expenses

6 Land Acquisition and Compensation Process

6.1. Overview

The LALRP 2014 identifies the institutional framework and key processes for undertaking land acquisition and compensating AHs for LALRP impacts. This section summarizes the institutional framework for managing LALRP impacts, eligibility and the entitlement matrix.

6.2. Institutional Framework

To implement the Plan a variety of role players from the government, civil society and private sector are involved. The LALRP 2014 describes in text and pictorially the relationship among the various role players.

AGL, as the Project Proponent, has overall responsibility for the Project including for the preparation, implementation and financing of all LALRP tasks. AGL has assigned New Metal Georgia as a construction contractor also responsible for preparation and implementation of this Addendum. New Metal Georgia together with ACT and Independent valuator were involved in Addendum to LALRP preparation process.

A Financial Planning service provider will be contracted to create awareness about savings and financial management among AHs. A Resettlement Evaluator will be used to confirm for lenders that the implementation of land acquisition and resettlement has been completed according to the LALRP, meeting the objectives of the LALRP and the lenders' involuntary resettlement safeguard policies.

Lenders need to approve this Addendum to ensure their safeguard policies are being met. As part of the financial agreement, lenders will also provide clearance for initiation of civil works after any implementation of this Addendum.

6.3. Eligibility for AP and Community Compensation

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

To summarize, the Project eligible APs include:

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

Community services and infrastructure affected by the Project are also eligible for compensation. However, field surveys did not identify any community services or infrastructure that will be impacted by this Project.

6.4. Eligibility Cut-off Date

Eligibility is also affected by timing of asset occupancy. The eligibility cut-off date was declared on 18th May 2016 (i.e., the completion date of the DMS), and this was communicated to the affected households during the community meetings as presented in Section 7.

6.5. Compensation Entitlements

A principle of this Addendum to the LALRP is that affected livelihoods will be restored to pre-project standards and if possible improved. Entitlement will be based on type of loss and in some cases AH characteristics. An AP or AH may suffer various losses and be eligible for various allowances. Documentation of ownership or occupancy and compensation arrangements will be issued in the names of both spouses or heads of household.

AGL will implement compensation and livelihood restoration measures based on the LALRP 2014 entitlement matrix. Table 6.1 summarizes entitlements to be provided to the APs.

Table #6.1: Entitlements Provided to APs

Entitlements	Unit	Amount	Remarks
Land	m ²	Land purchase Compensation range 16, 38 -5.04 GEL Servitude One-Off Compensation 8.19- 0.76 GEL	Sales comparison method was used for estimating the land compensation value. The land was grouped in to 7 categories and prices were determined for compensation of purchased land and the land under long-term partial impact (one-off compensation under servitude agreement)
Walnut, Quince and Mulberry Trees	annual average harvest x market price per kg x 8 ¹⁴	Various	The multiplier eight takes into account providing replacement value of tree, to reflect the one off nature of the payment in lieu of multi-year cash income payments.
Other fruit trees	annual average harvest x market price per kg x 5 ¹⁴	Various	The multiplier five takes into account providing replacement value of tree, to reflect the one off nature of the payment in lieu of multi-year cash income payments.
Annual Crops	Annual average harvest x market price	Various	Providing replacement value of crop, to reflect the one off nature of the payment in lieu of one cash income payments.
Commercial structure	m ²	Various	Based on an independent valuation of replacement cost
Vulnerability allowance	Lump sum	10% of land valuation	All land valuations to be increased by 10% as vulnerability allowance
Livelihood restoration	AH	No price equivalent available	AHs will be invited to financial management seminars to help them make good long term investments with their cash compensation. AHs with archival papers will receive help in registering their land.

¹⁴ The replacement price of fruit trees was calculated by estimating the market value of fruit to be lost by the affected family during the time it would take to grow a replacement tree to fruit-bearing maturity (i.e. for five or eight years, depending on tree type). This involved multiplying the annual average harvest of each fruit tree type by the market price per kilo in order to establish an annual cost, then multiplying this by the number of years that a replacement tree would take to reach maturity, i.e. 8 years for walnut, quince and mulberry trees, and 5 years for other trees.

7 Stakeholder Engagement

7.1. Overview

The Addendum to LALRP outlines consultation and participation requirements taking into account international requirements that APs be meaningfully consulted and has opportunities to participate in the planning and implementation of resettlement programs. This section describes the information disclosure and consultation activities that have been undertaken for the Project to ensure that APs are fully aware of their land acquisition and livelihood restoration (LALRP) entitlements and options. Grievance management and redress is addressed in Section 8.

As part of AGL's on-going commitment to good corporate governance and to project stakeholders, stakeholder engagement plan (SEP) is designed to meet international best practices and the laws of the Democratic Republic of Georgia. Stakeholder Engagement Plan is an addendum to the Stakeholder Engagement Plan (SEP) (not part of the Addendum to LALRP) rev H and enhances stakeholder engagement throughout the life of the project particularly to cover construction regime of the transmission line.

7.2. Information Disclosure, Consultation and Participation during Preparation of the EIA and Addendum LALRP for the 35kV OHL

In April 2016, before New Metal Georgia (NMG) and ACT field teams initiated DMS/SES surveys, public consultation with APs were conducted. The first meeting was held on May 17, 2016 in Shuakhevi municipality administration building where representatives of ACT and NMG presented the project in detail and also gave information about the land acquisition procedures, grievance mechanism and answered all queries from public. The meetings were attended by the heads of affected communities, affected persons, AGL land team and social officers, Expert 21 a Company which was assigned role of valuations of land, tree, crops attended meetings as well.

Key information from this Addendum LALRP such as compensation rates, eligibility cut-off date, valuation methodology, compensation process, project schedule, grievance mechanism, livelihood restoration activities, among others have been disclosed to the affected people in the Georgian language through questions-and-answers during 9 meetings conducted from April to June 2016. During the meetings brochures on land acquisition procedures was distributed (see **Appendix B** for a copy of this booklet). The content of the brochures was agreed and approved by AGL. Table 7.1 below summaries meetings conducted.

Table# 7.1 Summary of meetings conducted

Date	Meeting Venue	Representatives/ Presented Villages	N of participant	Key comments/questions raised
Apr 13, 2016	Zamleti administrative unit, Shuakhevi	Representative of Zamleti administrative unit in Shuakhevi, representative of Shuakhevi Mayor in Shuakhevi administrative unit, local land owners/users	34	General informational meeting with the owners/users of the needed land parcels
Apr 13, 2016	Skhalta administrative unit, Khulo	Representative of Khulo Mayor in Skhalta administrative unit, landowners/users.	23	General informational meeting with the owners/users of the needed land parcels

Date	Meeting Venue	Representatives/ Presented Villages	N of participant	Key comments/questions raised
Apr 15, 2016	Shuakhevi administrative unit, Shuakhevi	Representatives of Shuakhevi Mayor Shaukhevi and Zamleti administrative units, local land owners/users	40	The participants discussed identification of affected land parcels in Dabadzveli, Chanchkhalo and Daba Shuakhevi.
Apr 15, 2016	Skhalta administrative unit, Khulo	Representative of Khulo Mayor in Skhalta administrative unit, landowners/users.	26	General informational meeting with the owners/users of the needed land parcels
Apr 16, 2016	Skhalta administrative unit, Khulo	Representative of Khulo Mayor in Skhalta administrative unit, local landowners/users.	18	General informational meeting with the owners/users of the needed land parcels
May 17, 2016	Shuakhevi administration building	Nenia, Dabadzveli, Shuakhevi center, Purtio, Chanchkhalo, Nigazeuli, Okropilauri	57	Land compensation; type of contracts signed with landowners/users; restrictions on tree planting; privileges on electricity tariff.
May 28, 2016	Skhalta Museum building	Khinchauri, Cheri, Dzmagula	23	Tree compensation; project design and route, impact of transmission line on health (radiation)
May 28, 2016	Tsablana public school	Tsablana villagers	19	Impact of the Project on agriculture; compensation for non-fruit bearing trees; employment
June 8, 2016	Shuakhevi Administration building	Beselashvilebi villagers	12	Land compensation; land registration; project route and technical details

Appendix C contains the photos and minutes of the public consultations.

Further to the above meetings, on July 14, 2016 Public Consultations on the 35kV OHL EIA were held in Khulo Municipality at 13.00 hrs and Shuakhevi municipality at 16.00 hrs. The meetings were opened by the NMG Director Mr. David Mzhavanadze who talked about the project scheme and goals, introduced technical details, environmental policy and principles; he briefly described EIA structure, potential impact on environment and relevant mitigation measures. Then he invited attendees for comments and questions. Any comments or questions raised by stakeholders were responded by NMG and recorded. A number of key themes were brought up; these included different type of towers to be selected for erection, whether chopped trees could be delivered to communities, land compensation, etc. Representatives of the affected communities, municipality public officers, a representative from the Ministry of Environment and Natural Resources Protection, and AGL community officer attended the meetings. Media did not attend and report on the meeting. All comments and questions were collected and used to produce minutes of meetings which were submitted to the Ministry of Environment as a part of the EIA.

Information about the date and venue of the public consultations on 35kV line EIA was published in central newspaper (Sakartvelos Respublika - Georgian Republic). Besides, public announcements were published on information boards of the both municipalities.

7.3. Future Information Disclosure, Consultation and Participation

This Addendum to the LALRP and any other requested information will be disclosed to the AHs 1 week prior to agreements signing and 2 weeks prior to construction works. A copy of this Addendum to the LALRP in Georgian will be made available to PAPs in the AGL Public Information Centres located in Khulo and Shuakhevi municipalities prior to agreements signing. During the implementation phase AGL will continue to consult the APs on various issues individually as required, and the consultations and information disclosure will be conducted as per the 35 kV OHL SEP and the overall Shuakhevi HPP SEP.

8 Grievance Management and Redress

8.1. Overview

AGL aims to engage with stakeholders on land acquisition and resettlement in a manner that is conciliatory, fair and transparent. Care will always be taken to prevent grievances rather than going through a redress process. Through careful land acquisition design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination among the various implementation entities, AGL will try to prevent grievances. A grievance can be defined as an actual or perceived problem that might give grounds for complaint. Nonetheless, APs may find disagreeable a decision, practice or activity related to land acquisition and resettlement.

This section summarizes the resettlement redress mechanism for the Project and discusses its use to date for the Project.

8.2. Project Grievance Redress Tenets

The following tenets underlie the grievance redress mechanism:

- APs are 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 is registered, its receipt acknowledged, and tracked until closure;
- All grievances are processed and responded to within a reasonable period of time; and,
- The overall objective is to avoid resorting to juridical 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.

8.3. Grievance Resolution Process

The Project resettlement grievance resolution process is summarized in Table 8.1.

Table #8.1: Resettlement Grievance Resolution Process

Steps	Grievance Redress Actions
1	AGL's Land & Social Team already has a system for logging the grievances. AGL CLO will set up a separate registry for complaints for the 35kV line Project.
2	In the first instance, an AP can lodge a grievance and resolution will be attempted at an informal level with the involvement of relevant Project entities (for instance AGL Land & Social staff or the Independent Monitoring Officer) or local influence leader within ten days
3	If still unsettled, the AP can submit the complaint with AGL Land & Social Director who has 15 days to decide on the case
4	If still unsettled, the APs' grievance will move within 15 days to a Grievance Resolution Committee which has 15 days to decide on the case

8.4. Grievance Recording and Logging

The AGL Land & Social Team is responsible for recording any grievances which are presented at the local government level and to their staff. They also log activities and their timing until a resolution is achieved. The Land & Social Team is responsible for keeping the complainant informed of decisions and activities undertaken to reach resolution.

A grievance committee has been set up consisting of Expert XXI, AGL and affected households' representatives. AGL representatives include the Liaison Officer, Land Officer, Land and Social Director, and the Deputy Project Director. This committee receives grievances, discusses them internally and then finalizes and implements a solution. When relevant, the committee consults with community leaders and representations in order to finalize actions.

9 Livelihood Restoration Plan

9.1. Overview

Livelihood restoration is not necessary under Georgian laws but it is an IFC, EBRD and ADB requirement. A focus on livelihood restoration is a good strategy to help people to be better off or at least not worse off after land acquisition and resettlement implementation. The Project activities related to livelihood restoration are described below.

9.2. Financial Management of Compensation

The amount of compensation funds could be considerable in comparison to normal annual household earnings and savings for AH's receiving the compensation. AGL will sponsor a financial management seminar or seminar series (depending on the number of affected people) which AHs will be encouraged to attend. The aim is to support AHs with independent financial advice to help them invest their compensation in such a way as to improve their long term well-being rather than contribute to a household boom and bust, caused by spending the compensation payment in an unplanned manner.

9.3. Supplemental Livelihood Activity for AHs losing Fruit Bearing Trees

In addition to Financial Management training AGL will provide fruit tree saplings to the households losing fruit bearing trees. Saplings will be provided based on actual chopped down trees and not tree determined during the preliminary assessment. Apart from the above mentioned, AGL will follow the livelihood restoration measures as described in Detailed Livelihood Restoration Plan (DLRP, 2014¹⁵). AGL will provide agricultural training in the following fields:

- Beekeeping – training on beekeeping practices, health and safety
- Diversification on animal rearing – training on efficient techniques on cow rearing and health and safety
- Nut production – training on efficient techniques on production

Timetable for the proposed livelihood restoration activities is the following:

- Financial management training – preferably in February 2017 prior to giving out compensations;
- Agricultural training – in May and June 2017;
- Delivery of fruit tree saplings - in October 2017.

¹⁵ <http://agl.com.ge/uploads/media/Detailed-LRP-31102014-Final.pdf>

9.4. Allowances to Support Livelihood Restoration

Allowances will be provided to AHs in order to support their livelihood restoration. A vulnerability allowance of 10% of the land's value will be given to all AHs in an attempt to support livelihood restoration.

9.5. Legalization of Land Ownership

The large majority of potential APs have land that is unregistered. During the land acquisition and resettlement process, where AHs have the required documents, AGL through the LALRP 2014 has committed to formally registering their land. AGL will pay the costs related to this registration.

Out of 77 state land plots not subject to legalization, 14 are used for perennial and 1 for annual crops, also 20 land plots are used as hay fields and 5 as grazing lands, 37 land plots are used for mixed purposes except trees. Even though the land plots cannot be legalized by the AHs, AGL is committed to giving permissions to these 66 AHs to use the land in the future with restrictions (no buildings, no trees higher than 4 meters).

10 Monitoring, Evaluation and Reporting

10.1. Overview

Monitoring, evaluation, and reporting are key components of the resettlement and compensation program. LALRP tasks will be subjected to both internal and external monitoring. Internal monitoring will be conducted by AGL, assisted as necessary by the project supervision consultant, as well as by APs as appropriate. External monitoring will be assigned to an independent organization with expertise in resettlement and compensation issues and with the resettlement requirements of Georgia law and international financial institutions, for instance the lenders' engineer. This section presents the process for on-going monitoring and evaluation.

10.2. Internal Monitoring

AGL has had between five and ten full time Land & Social staff addressing the land acquisition issues since 2011. At present, AGL' team comprises of fifteen full time team members who follow the effectiveness and progress on:

- Information disclosure and consultation with AHs;
- Status of asset acquisition and compensation payments;
- If required, relocation of AHs and their assets as well as community services and infrastructure; and
- Income restoration activities.

Information sources include the field survey data (detailed measurement, AH census and socio-economic survey) as well as consultation results (formal and informal interviews with AHs and other stakeholders in individual and group meetings). Indicators for monitoring will be those related to process, outputs and outcomes. Monitoring will consider special measures and activities to address inclusion and diversity as well as vulnerability and severity impacts. To the greatest extent possible, AH profiles and gender disaggregated data will be included in monitoring reports.

Internal monitoring results will be included in reports to lenders. This reporting requirement will be reflected in the Environmental and Social Monitoring Plan and in the lender financing agreements.

10.3. External Monitoring

The Project will be subject to external monitoring of the implementation of this plan for the first year to ensure that economically displaced households have had their livelihoods restored adequately. The monitoring will consider the effectiveness of the livelihood restoration facilitated by AH themselves through the deployment of compensation monies received or through support from AGL. The External monitors will review the internal monitoring findings and verify through bi-annual site visits. The external monitoring will be undertaken by appropriately qualified and experienced third-party specialists to be agreed by AGL and the lenders.

10.4. Resettlement Completion Audit

A Resettlement Evaluator agreed by AGL and the lenders will be hired to undertake a completion audit once the agreed monitoring period is concluded. The resettlement completion audit will include a review of the totality of mitigation measures implemented by AGL, a comparison of implementation measures against agreed objectives and a conclusion as to whether the monitoring process can be ended. The audit will assess whether the provisions of this Addendum to LALRP, the objectives of the LALRP 2014, and the requirements of the lenders' involuntary resettlement policies have been met.

11 Schedule and Budget

11.1. Overview

This section presents the Project's land acquisition schedule and budget.

11.2. Schedule

To implement land acquisition for this Project a variety of role players from the government, civil society and private sector are involved. Land acquisition can take several months to follow the required processes and ensure involvement of appropriate organizations. Implementation of this Addendum to LALRP must be confirmed with a no- objection from IFC, EBRD and ADB prior to commencing land acquisition and construction activities at the affected sites. Table 11.1 presents the Project's schedule.

Table #11.1: Land Acquisition Schedule

		2016				2017								
		April-May	June-July	August-September	October-December	January	February	March	April	May	June	July	August	September-December
A	Addendum Preparation Activities													
1	Census and Social Economic study													
2	Land, structures, trees and crop valuation													
3	Preparation of entitlement matrix													
4	Public consultation meetings													
5	Completion of Addendum													
6	Addendum Submission													
7	Addendum Revision													
8	Addendum Approval													
9	Disclosure of the Addendum													
B.	Addendum LALRP Implementation Activities													
10	Land Legalization													
11	Agreement signing													

		2016				2017								
		April-May	June-July	August-September	October-December	January	February	March	April	May	June	July	August	September-December
12	Disclosure of this Addendum LALRP in Georgian in public places													
13	Updating Addendum if necessary													
14	Grievance Resolution													
15	Payment of compensation entitlement to PAPs													
16	Civil works													
C	Monitoring Activities													
17	Monitoring and Evaluation activities													
18	Submission of compliance report on resettlement													

11.3. Project Land Acquisition Budget

Table 11.2 presents the cost estimates and budget for land acquisition and resettlement with provisions for administrative costs and contingencies included, although it does not include any transaction fees and taxes. AGL is committed to pay all fees and taxes related to the compensations in scopes of the project and the taxes and costs will be paid on top of the compensations for the losses. The estimated total budget for land acquisition and resettlement is **1,696,252.46** GEL for the 35kV line Project. The table below presents itemized budget for each loss envisaged in scope of the project.

Table #11.2 Project Land Acquisition Budget

Description	Unit	Amount	Total Compensation Cost GEL
Land used by private users under Permanent Impact to be purchased	m ²	7,140.39	66,342.21
Land used by private users under Partial long-term impact to be compensated under servitude agreements	m ²	527,543.1	1,162,840
Buildings	N	3	54,670
Trees	N	1,300	213,973.2
Crops	m ²	-	8,951.40
Vulnerability Allowance	N	97	6,634.22
Severity Assistance	N	0	0
Total for Compensation and Entitlement			1,513,410.69

Cost for Land Registration	N	287	14637
Administrative costs	Months	6	6000
Financial Trainings	N	Lump Sum	8000
Total for Monitoring and Administration			28,637
Subtotal			1,542,047.69
Contingency 10%			154,204.77
Total			1,696,252.46

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Appendix A. Acquisition and Compensation Scheme

Appendix A presents detailed scheme of acquisitions and compensations per land. This information is not for public disclosure.

Appendix B. Public Information Booklet

“Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project Information Brochure 2016

“Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Construction Project is implemented by LLC “New Metal Georgia” – as a builder -contractor of “Adjaristsqali Georgia”.

Within the frameworks of the “Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Construction Project, land acquisition and livelihood restoration plan development is provided by the consulting company “ACT”.

The following brochure aims to disseminate information regarding the “Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Construction Project. Brochure provides information concerning the project, impact assessment of the project affected area residents, as well as project affected land owners and users, along with land acquisition and resettlement policy.

Project Description

Project Sceme

The following project is located along the Adjaristskali river and its tributaries. 35 kV Skhalta-Shuakhevi Overhead Transmission Line will be constructed for 185 MW Shuakhevi Hydro Power Project located in Autonomous Republic of Adjara in Georgia. The power transmission line will be located near Chirukhistsqali and Skhalta rivers valley with 24 km length. 35 kV transmission Line will be located nearby seven settlements (Nigazeuli, Dabadzveli, Purtio, Nenia, Okropirauli, Chanchkhalo and Shuakehvi) in Shuakhevi district and three villages (Tsablanga, Kinchauli and Tcheri) in Khulo district.

The scope of work also includes preparing and implementation of Environmental Impact Analysis (EIA) and addendum to the Land Acquisition and Livelihood Restoration Plan (LALRP) developed in 2014.



Resettlement policy and principles

The project will be implemented in compliance with the Georgian Legislation on Involuntary Land Acquisition and Resettlement, along with the following international standards: IFC – 2012 Performance standard 5: Land Acquisition and Involuntary Resettlement, EBRD – 2014 Performance requirements 5: Land Acquisition, Involuntary Resettlement and Economic Displacement and ADB - 2009 Safeguard Requirement 2: Involuntary Resettlement. Project related land acquisition and resettlement principles were developed and approved as a result of the congruence of legal norms operating in Georgia and the IFC, EBRD ADB standards. Land Acquisition and Livelihood Restoration Plan represents an integral part of the project. The following principles are to be upheld helceforth early stages of the project:

- Land acquisition and resettlement will be minimised or avoided where possible.
- AGL will aim to achieve negotiated agreements on land acquisition with all affected persons based on the LALRP. AGL will negotiate fairly and openly with all APs to reach mutually acceptable agreements on compensation.
- All land acquisition and resettlement activities will be managed through resettlement action plans (where there is physical displacement) or LALRPs (when there is loss of economic displacement). Implementation results will be documented and monitored.
- All APs will be meaningfully consulted and be active participants in the negotiated settlements. Consultations will consider gender issues and take into account the needs of stakeholders who may be considered vulnerable. In the Project context, many if not all of the affected households are considered vulnerable.

Regarding compensation rights

Affected persons either receiving compensation or at least subjected to rehabilitation measures within the project, are defined as follows:

- All project affected persons deprived of land, regardless of possession of property rights on it or legal registry of land ownership;
- Proprietors of buildings, crops, trees and other units located on the affected land;
- All affected persons subjected to income losses such as loss of harvest or revenue, and/or business closure as a result of the project implementation.

Right to compensation will be limited to the "cut-off" date determined within the project, whence description of project affected persons together with the detailed measurement study will be conducted. Persons settled on the project area subsequent to the above mentioned date will not be eligible for a compensation, however, they will be notified to vacate residences and to demolish all affected buildings/structures prior to the project implementation. Dismantled building materials will not be confiscated; concurrently the aforementioned persons will not be subjected to any penalties or sanctions.

Compensation terms for the project affected persons subjected to land, residence, and income losses as well as rehabilitation subsidies, will include compensation for permanent or temporary land and building losses, harvest and tree losses, transportation subsidy, in addition to the aid for business closures based on tax returns and/or lost net amount. Besides, all affected households will be invited to financial management seminars organized by AGL to help them make good long term investments with their cash compensation. The above mentioned rights are as follows:

Land loss and land consumption restrictions

Type of Loss	Application	Project affected persons	Compensation
Permanent land loss	Permanent loss occurs for the lands located in the vicinity of overhead transmission line towers, underground stations, or permanent access roads	Proprietor fully registered land/proprietors of the land plot subject to legalization	Financial compensation of full land replacement costs. Proprietors of affected land plots subject to legalization will be provided full property rights as well as financial compensation of full land replacement costs.
Restrictions on land consumption	Affected families, who do not lose OHL Project corridor affected agricultural land, however are limited in the consumption of the said land (prohibition of tree growth beyond 4 meters; prohibition of building construction)	Proprietor fully registered land/proprietor of the land plot subject to legalization	Servitude agreement provides compensation for land consumption restrictions. The amount of compensation shall correspond to the market price difference between real servitude and lack thereof.

Building losses as a result of land loss and land consumption restrictions

Type of Loss	Application	Project affected persons	Compensation
Residential and non-residential buildings / assets	(Along the entire strip of the OHL Project, wherein construction of residential and non-residential buildings is forbidden)	All affected families regardless of legal ownership/registration status (including proprietors of the land plot subject to legalization and illegal residents)	All impacts will be considered full regardless of factual percentage figure to impact exposure. Financial compensation of full land replacement costs will be provided, notwithstanding depreciation and operation costs.

Loss of public infrastructure / resources

Type of Loss	Application	Project affected persons	Compensation
Loss of public infrastructure	Community / State assets	Community / Government	Restoration and recommencement of infrastructural constructions on the basis of public consultations

Loss of income or livelihood

Type of Loss	Application	Project affected persons	Compensation
Annual agricultural crops (permanent land loss due to the OHL Project towers or as a result of deployment of other permanent structures)	Impact on agricultural crops	All affected families regardless of legal ownership/registration status (including proprietors of the land plot subject to legalization and illegal residents)	Financial compensations will be provided according to the gross market value of current or future harvests. The above mentioned compensation will be provided regardless of harvest yield at the time of impact.
Along the entire strip of OHL Project, wherein tree planting is forbidden	Trees situated on affected areas	All affected families regardless of legal ownership/registration status (including proprietors of the land plot subject to legalization and illegal residents)	Compensations will be provided according to the gross market value of the tree type, age, and fructification.

Allowances

Type of Loss	Application	Project affected persons	Compensation
Severe impact	>50% loss of productive land	All affected families, including proprietors of the land plot subject to legalization and illegal residents)	Special assistance will be provided to affected families who loss more than 50% of their productive land holding. In kind assistance for livelihood restoration will be provided, namely productive land that is considered suitable and reasonably distanced. Rough unsurfaced land will be prepared with soil and grass seed to allow cattle to graze and crops to grow.
Vulnerability allowance		All affected families, including proprietors of the land plot subject to legalization and illegal residents) <i>(According to AGL's policy all affected households are treated in an equal manner)</i>	Total amount of compensation for project affected household lands (as a result of the permanent land loss) will increase by 10%.

Temporary losses

Type of Loss	Application	Project affected persons	Compensation Rights
Temporary impacts due to construction and maintenance works	Within and beyond the OHL Project strip	All project affected households	Compensation within the course of construction the will be calculated and issued on the basis of the following LALRP.
Unforeseen impacts (if occurred)			Contractor will reduce impacts/issue compensation in case of unforeseen impacts according to the above-mentioned compensation principles.

Complaints consideration and redress mechanism

Complaints mechanism will allow affected individuals to appeal against a decision or action, whereupon they do not agree in regards with the land or other unit compensation.

- On an initial stage, complaint redress will be attempted via unofficial intermediaries. Complaint shall be examined within 10 days of its submission.
- In the case complaint is unresolved on an initial stage, it shall be submitted to Adjaristskali Land and Social Team, who will review the appeal within 21 days.
- Where the complaint/grievance remains unresolved, it may be submitted to the complaint consideration and redress committee for further consideration. Complaint consideration and redress committee will review the complaint within 21 days of its submission.
- If the decision regarding complaint/grievance remains indeterminable subsequent to the complaint consideration and redress committee intervention or if the affected person remains unsatisfied with the outcome of the complaint consideration and redress mechanism, such complaint/grievance may be filed with the relevant jurisdiction court (district court).

Project-related comments and inquiries should be addressed to the following addresses:

LLC "AGL"

Address: I. Abashidze Street 6, Batumi, Georgia, 6010

Tel: 0422 27 12 17

Website: www.agl.com.ge

E-mail: info@agl.com.ge

Ltd "New Metal Georgia" (NMG)

Address: Ateti Street 18 G, Tbilisi, Georgia.

Tel: 032 2 220355

Website: www.nmg.ge

E-mail: dmb-7@mail.ru

Ltd ACT

Address: 51 Sairme Hill, 0194, Tbilisi, Georgia, 0194

Tel: +995 32 2422 322

Website: www.act-global.com

E-mail: geo@act-global.com

All project related information will be updated on a regular basis and will be available on the website: www.agl.com.ge

Appendix C. Minutes of Public Consultations

“Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project

Community Meetings

Meeting 1

Meeting Location: Shuakhevi Gamgeoba building – Shuakhevi municipality

57 local residents from Shuakhevi, Nigazeuli, Dabadzveli, Purtio, Nenia, Chanchkhalo, Okropilauri villages attended the meeting. Please see Table A below for the list of attendees.

Date: 17.05.2016

ACT representative Shorena Tchokhnelidze introduced herself to the project affected people from Shuakhevi settlements. She also introduced representative of New Metal Georgia Zaza Kachkachishvili and independent experts from “Expert Audit” Emzar Katamadze and Davit Sharashidze. She briefly presented the main purpose of the meeting and its agenda to the audience and distributed Information Brochures of “Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project. After that Shorena Tchokhnelidze presented the project itself. Then project affected people were asked to express their opinions and raise questions regarding the introduced project.

- Project Affected Person - *We met company representatives. Their conditions were 90 per cent satisfactory for us. The draft was the following that they would study the situation and evaluate it. The territory where towers are installed would be purchased and agreements would be made. All above-mentioned was acceptable. Is there anything else?*

ACT Representative Shorena Tchokhnelidze – Yes, it would be like that. Besides, at this stage inventory process is under way. Information meetings are conducted with project affected population. In the nearest future our representatives will come to your families for interviews as socio-economic survey is planned to be implemented. Only after that negotiation process regarding compensations and agreements will start on individual level.

- Project Affected Person – *I do not understand, what survey? Why does our private social condition matter when transmission line runs over my private land? How is this study connected with all this? What kind of compensations are we talking now? For example, if I am a millionaire, how would my economic situation influence the compensations? Why are you interested in it?*

ACT Representative Shorena Tchokhonelidze - According to international standards in case of such infrastructural projects implementation of social surveys is required. In the frames of such surveys project affected person is interviewed face to face however the data of each interviewee is generalized and the final report is written about the whole PAP community. All the planned activities including socio-economic survey aim to reveal all possible negative effects of the project in order to eliminate them or minimize.

- Project Affected Person – *We either simplify or deteriorate the situation. People who do not have land in the project zone will not be satisfied of course because the whole land plot of their neighbors are in the project zone while only one per cent of their land is affected. And one is given much more money than other. Of course such people will not be satisfied. What if with the help of such surveys people who did not have right at all would claim for the money while the right owners will not receive anything.*

ACT Representative Shorena Tchokhonelidze - We will survey only project affected people and will not meet or interview those who are not affected by the project. Besides, compensation amount will be defined on the basis of inventory process and evaluation of independent expert. Similar approach and standard will be applied in case of all project affected people.

- Project Affected Person – *Somebody mentioned that audit company has already finished their works.*

New Metal Georgia Representative Zaza Kachkachishvili – No, it is not right. We are just beginning works. We have just visited all plots recorded details, took pictures and we are going to continue with inventory process.

- Project Affected Person – *People came last year too because of transmission line of 220 kV.*

New Metal Georgia Representative Zaza Kachkachishvili – No, it was not us. We came 20 days ago. We are now talking about 35 kV Overhead Transmission Line.

- Project Affected Person – *We were told that it would be 35 kV but as a result we would get 220 kV, would not we?*

ACT Representative Shorena Tchokhonelidze – Of course not. We are now talking about 35 kV Overhead Transmission Line Project. That is a different project.

- Project Affected Person - *When will construction begin?*

New Metal Georgia Representative Zaza Kachkachishvili - We could not begin constructions at the moment because works are done now at Hydropower Plant. We will begin construction from there. First of all trees will be cut, roads will be made to the construction line and only after that we will start building.



ACT Representative Shorena Tchokhnelidze – As I have already mentioned at this stage we are trying to inform project affected population about the details of the planned project. Inventory process, social surveys, auditory assessments are also under way. Only after developing final plan and when the negotiation process with land users and owners are finished and compensations are agreed, construction of 35 kV Overhead Transmission Line will begin.

- Project Affected Person - *For example, if one tower is installed in one land plot and another tower in another land plot and transmission line will run over. What will happen with the land plots under this transmission line?*

ACT Representative Shorena Tchokhnelidze - Servitude contracts will be signed with the users/owners of such land plots under the transmission line. It means that such users/owners will have some restrictions on land usage. For example, they will not be allowed to plant high trees which are four meters in height or higher. They will not be allowed to build buildings there as well. However, they can do anything else under this line and continue other agricultural or any other activities. Compensations will be made on the basis of what was cultivated in such land plots during inventory process.

- Project Affected Person - *If it happens that land plot is under transmission line, however workers will have no need to enter those plots. What will happen in such case, will not they be compensated?*

ACT Representative Shorena Tchokhnelidze – Of course they will be compensated because land usage restrictions in the Right of Way zone. Restrictions like planting high trees or constructing buildings. They will be compensated and can continue land usage but with above-mentioned restrictions.

- Project Affected Person - *Your representative visited us and talked with us. Will this new tower be next to the old tower and will the line run next to the old one?*

New Metal Georgia Representative Zaza Kachkachishvili - It almost runs next to the old line. We could not be more specific at this stage.

- Project Affected Person - *Old tower that is already there, will it be moved to somewhere else? The old is already there and will there be the new one instead on its place?*

New Metal Georgia Representative Zaza Kachkachishvili - We will have only new towers and line will not run on old towers.

- Project Affected Person - *If I have a nut-tree planted in my land plot or if I want to plant it. What happens in this case?*

Expert Audit Representative Emzar Katamadze - Territories of posts will be purchased from land owners by the company. The price will be defined according to existed market prices. As for land plots under transmission line, there will be “cut off” zone 20 meters on the right and on the left of the line and buffer zone 40 meters on the right and on the left of the line. Servitude agreements will be made with



land users and owners in cut off and buffer zones. Servitude agreements mean that they will have some restriction on land usage like planting four meter and higher trees and building constructions. Otherwise they will use those land plots as they wish. They will be paid one-time compensation because of already mentioned restrictions. We will come to every project affected person and evaluate everything.

- Project Affected Person - *There are people who have their land plots officially registered. However, there are category of families who do not have officially registered land plots. The government has taken their land plots from them. What happens in such cases?*

New Metal Georgia Representative Zaza Kachkachishvili - Land users will be compensated even if they do not have registration document on the land. However, each case will be studied separately in order to identify the right user of the land.

- Project Affected Person - *I have a vineyard. You say that 35 kV Overhead Transmission Line and then 220 kV line will run over it. And now you say that I will have restrictions on usage of my land. If I want to plant something on that land in the future, what will happen then?*

New Metal Georgia Representative Zaza Kachkachishvili - Servitude agreement, its content and idea includes such restrictions. This restriction is made because of high voltage and that is why high trees or building are restricted under the transmission line. That is why compensation amount for such restrictions is calculated and then paid to you. We do not have any private interests for not paying you appropriate compensations however we have some timeframes and agreements should be made during that period.

- Project Affected Person - *(Khimshiashvili and Kekelidze case) Our lands were illegally appropriated by three people. We were not in the village at that time. We do not have legal document on the land plot which can be purchased or compensated with servitude agreement. No agreement has been made on land ownership so far.*

ACT Representative Shorena Tchokhanelidze - In case of disputed cases regarding land ownership, it would be better to settle such issues inside your communities with the help of neighbors and official representatives of the village. Your local community should make a decision. Company could not settle such disputes. You should try to settle this argument locally and negotiate with each other.

- Project Affected Person - *I have a nut-tree which is 25-meter-high and 25 years old. They did not record this tree and told me that it would be cut when construction work begins. I asked them to record the tree but I do not know if they did it*

New Metal Georgia Representative Zaza Kachkachishvili - Inventory process has not finished yet and we will contact you and study the case.

- Project Affected Person - *Where is the rout of the line and how will it run? If agreements are not made between the owner and the company, what will happen then? Are there any*



alternative ways because the government has no right to enter private property? What mechanisms do you use during negotiation? What will be the amount of compensation? Will population have free electricity or some privileges on electricity tariffs? If we take compensations of 5000 or 10000, will not such projects have more severe impact in our region?

ACT Representative Shorena Tchokhanelidze - At this stage there is a draft plan of the line rout. Evaluation process is being made. Also audit company defines prices. Only after that negotiation process with project affected people begins and in case of achieved agreement, compensations will be made. Agreements will be made individually with each project affected person. If agreement is not reached than alternative ways will be used by the company. As for free electricity, this issue could not be settled within the frames of this project. As for negative impact on environment, environmental assessments are made preliminary in order to identify all negative effects and eliminate or minimize them. Only after that final plans are confirmed.

Table A: List of attendees

	Name and Surname	Settlement	Municipality
1	Mikheil Kametadze	Nenia	Shuakhevi
2	Otar Zoidze	Dabadzveli	Shuakhevi
3	Mukhamed Davitadze	Okropilauri	Shuakhevi
4	Merab Davitadze	Shuakhevi	Shuakhevi
5	Gia Davitadze	Shuakhevi	Shuakhevi
6	Levan Khiladze	Purtio	Shuakhevi
7	Pridon Davitadze	Shuakhevi	Shuakhevi
8	Nodar Mikeladze	Purtio	Shuakhevi
9	Mukhasheka Shakharadze	Purtio	Shuakhevi
10	Shakro Diasamidze	Chanchkhalo	Shuakhevi
11	Levan Zoidze	Dabadzveli	Shuakhevi
12	Tamaz Meradze	Purtio	Shuakhevi
13	Gocha Zurabashvili	Purtio	Shuakhevi
14	Tamara Zurabashvili	Dabadzveli	Shuakhevi
15	Ioseb Zoidze	Dabadzveli	Shuakhevi
16	Jumber Zoidze	Dabadzveli	Shuakhevi
17	Davit Zoidze	Dabazdveli	Shuakhevi
18	Zhuzhuna Saparidze	Dabadzveli	Shuakhevi



	Name and Surname	Settlement	Municipality
19	Mukhran Zoidze	Dabadzveli	Shuakhevi
20	Tengo Zoidze	Dabadzveli	Shuakhevi
21	Nodar Zoidze	Dabadzveli	Shuakhevi
22	Teimuraz Zoidze	Dabadzveli	Shuakhevi
23	Garsevan Zoidze	Dabadzveli	Shuakhevi
24	Tariel Zoidze	Dabadzveli	Shuakhevi
25	Levan Zoidze	Dabadzveli	Shuakhevi
26	Alexandr Kekelidze	Nigazeuli	Shuakhevi
27	Guram Kekelidze	Nigazeuli	Shuakhevi
28	Mukhamed Kekelidze	Nigazeuli	Shuakhevi
29	Vazha Khimshiashvili	Nigazeuli	Shuakhevi
30	Shukri Kekelidze	Nigazeuli	Shuakhevi
31	Roman Kekelidze	Nigazeuli	Shuakhevi
32	Bezhan Khimshiashvili	Nigazeuli	Shuakhevi
33	Medea Kartsivadze	Nigazeuli	Shuakhevi
34	Ineza Kekelidze	Nigazeuli	Shuakhevi
35	Meri Kekelidze	Nigazeuli	Shuakhevi
36	Zhiguli Turmanidze	ღაბღ Shuakhevi	Shuakhevi
37	Guguli Zoidze	Dabadzveli	Shuakhevi
38	Nazibrola Tarieladze	Dabadzveli	Shuakhevi
39	Vakhtang Khimshiashvili	Nigazeuli	Shuakhevi
40	Avtandil Khimshiashvili	Nigazeuli	Shuakhevi
41	Levan Resulidze	Nigazeuli	Shuakhevi
42	Murad Resulidze	Nigazeuli	Shuakhevi
43	Albert Diasamidze	Purtio	Shuakhevi
44	Nodar Surmanidze	Purtio	Shuakhevi
45	Edvard Diasamidze	Purtio	Shuakhevi
46	Anzor Dumbadze	Purtio	Shuakhevi
47	Merab Kamdadze	Nenia	Shuakhevi



	Name and Surname	Settlement	Municipality
48	Shota Kamdadze	Nenia	Shuakhevi
49	Levan Shavadze	Gurdzauli	Shuakhevi
50	Irakli Davitadze	Shuakhevi	Shuakhevi
51	Revaz Zoidze	Dabadzveli	Shuakhevi
52	Liana Kartsvadze	Dabadzveli	Shuakhevi
53	Guram Davitadze	Okropilauri	Shuakhevi
54	Roin Dumbadze	Chanchkhalo	Shuakhevi
55	Gulnara Dumbadze	Chanchkhalo	Shuakhevi
56	Revaz Dumbadze	Chanchkhalo	Shuakhevi
57	Davit Dumbadze	Chanchkhalo	Shuakhevi

Meeting 2

Meeting location: Skhalta Community – Skhalta Museum building

23 local residents from Kinchauri, Tcheri, Dzmagula villages attended the meeting. Table B shows the list of attendees

Date: 28.05.2016

ACT representative Shorena Tchokhnelidze introduced herself to the project affected people from Khulo settlements. She also introduced representatives of “New Metal Georgia” Zaza Kachkachishvili and Davit Mzhavanadze and representative of “Adjaristskali Georgia” Avto Ivanadze. She briefly presented the main purpose of the meeting and its agenda to the audience and distributed Information Brochures of “Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project. After that Shorena Tchokhnelidze presented the project itself. Then project affected people were asked to express their opinions and raise questions regarding the introduced project.

- Project Affected Person - *What about land parcels which are not registered? Will they be registered?*

Adjaristskali Georgia Representative Avto Ivanadze - 90 per cent of land plots are not registered in upper Adjara in total. We will help you to save and register your land if it is possible. The document certifying legacy of ownership on land in Khulo and upper Adjara in the period of communists was given to population according to civil code. It is juridical document and when this legacy is certified by the government now, it will become official registration. Then in 1998 land reform was implemented in upper Adjara. In the frames of this reform land parcels are given to each household by protocols. Those protocols are now kept in the archive and families are aware of them. You should withdraw those protocols from the archive in order to register your land. We would like you to register your land. All other land within the project will be registered as government land. Accordingly, in such cases servitude agreement will be made with the government and the company. As for compensations, they will be given on registered as well as not registered land, unless they are disputed land parcels.

- Project Affected Person - *I know whose property the land is. Is such land governmental property? If I do not have any documents on land, what would happen in that case? Who is to blame for this?*

Adjaristskali Georgia Representative Avto Ivanadze – I could answer with Shuakhevi example. The land used to be governmental property before the civil law enactment. After it the term given on possession appeared and the owner could have any right to on it (sell, buy, give on rent etc.). Land plots of 2500 which were given to the households during communist period, those land plots were given as a property to the families. After that inventory process was made in the villages and marginal norm was defined.



- Project Affected Person – *What will happen if the government needs this land?*

New Metal Georgia Representative Zaza Kachkachishvili - If it is the project is of governmental importance and if the government needs the land, it could take the land even if it is somebody's property. Of course in the frames of existed legislation.

- Project Affected Person - *If there is a spruce in my land, where will it go, when it is cut?*

New Metal Georgia Representative Davit Mzhavanadze - For example, if those are fruit trees, of course they will be compensated according to tariff preliminary defined by the audit company. But if it is spruce and part of the forest is on your land, then such trees are property of the government and the municipality. All such trees are registered and they are given to the municipality after they are cut. All trees have their legal owners and we will give them to appropriate agencies.

- Project Affected Person - *For example, If the territory you need is water protection zone. What would you do to avoid landslides? What kind of activities will be implemented?*

ACT Representative Shorena Tchokhonelidze - Safety measures should be kept by all means. All possible danger will be identified before construction process in order to plan appropriate preventive actions.

- Project Affected Person - *If the village does not want to allow building towers in our territory, what will happen in this case?*

New Metal Georgia Representative Davit Mzhavanadze - If agreement is not reached in your village, we will find alternative ways. We will go over mountains in that case. However, planned rout is safer and more acceptable for us. Accordingly, it would be good if agreement is reached.

- Project Affected Person - *How much would alternative way cost for you? You know better that it would cost much more than agreement with local population. Would not adding money to land owner be better?*

ACT Representative Shorena Tchokhonelidze – Negotiations have not begun yet and you do not have reason for such statements. How you could know preliminary if you agree or not or what will be suggested. All land owners and users will be treated equally.

- Project Affected Person - *I'd like to know if negotiation is possible. For example, if audit rated my land six Lari and if alternative ways for the project were expensive, could not we ask audit to rate our lands higher?*

New Metal Georgia Representative Davit Mzhavanadze - We could meet about 400 families like you and if each of them asks the same, in that case alternative ways seem much cheaper and more appropriate.

ACT Representative Shorena Tchokhonelidze - As I have already mentioned all affected land owners and land users will be treated equally within the project. Tariffs will be defined by an independent audit company.



- Project Affected Person - *When there is such meeting in the village, representatives from municipal government should be here. When they are not here it means they are neglecting us.*

New Metal Georgia Representative Zaza Kachkachishvili - There is one representative of local government here.

- Project Affected Person - *Inadequate amount was suggested. Population is paid almost nothing. 1.50 GEL was given to population.*

ACT Representative Shorena Tchokhonelidze - What amount are you talking about?

- Project Affected Person - *This mountain is over our heads. When you cut it, where will it go?*
- Project Affected Person - *Why does the government take those lands from people? It is our land. Yes, we could not register it but what did the government do for us? We are peasants and what does the government do for us?*

ACT Representative Shorena Tchokhonelidze - We all live in 21st century when everything is recorded and registered. You should do your best to register your land. As I see land registration is global problem in your region. In the frames of this project you will be paid anyway notwithstanding registration because company takes into consideration existed situation. However, I will repeat that you'd better try and the company will help you in this process as it would be possible in the frames of this project. For example, with consultation, maps etc.

- Project Affected Person - *Who pays to us in this project? The company or the government?*

Adjaristskali Georgia Representative Avto Ivanadze - Agreements will be made with "Adjaristskali Georgia" and accordingly it will pay you compensations. It has agreement with "New Metal Georgia" and in the frames of this contract "New Metal Georgia" leads negotiation process with you but "Adjaristskali Georgia" will pay.

- Project Affected Person - *I have one question. What is the length of transmission line? Where does it start and where ends? What are the negative effects of this line? Please tell me about negative and positive sides.*

Adjaristskali Georgia Representative Avto Ivanadze - It is 35 kV and around 24 kilometers in length. Its positive side is transmission of electricity and negative side is that there will be restrictions on constructing buildings and planting high trees in its corridor.

- Project Affected Person - *As I know it has magnetic radiation. For example, in case of 220 kV line, there is emission around it.*

New Metal Georgia Representative Davit Mzhavanadze - Even cell phones emit radiofrequency energy. That is why such transmission lines have their required size and safety norms like not approaching



them in 6-9 meters. You will not be endangered at all except restrictions on high trees. You can plant anything else even under the posts. Its emission will not reach your harvest unless it is high tree.

- Project Affected Person - *What will be the height of towers?*

New Metal Georgia Representative Davit Mzhavanadze - We will mainly use posts required for 110 kV transmission lines and 35 kV line will run there. The type of towers will be chosen according to terrain of each location.

- Project Affected Person - *I have grapes, walnuts and nuts planted there. Will not the line ruin my harvest?*

ACT Representative Shorena Tchokhanelidze - As we have already mentioned, it will have no impact on harvest. There is restriction only on high trees.

- Project Affected Person - *There are disputed land plots and will the company help with them?*

ACT Representative Shorena Tchokhanelidze - You should solve those issues inside your community. It is desirable to be settled as soon as possible because company can begin negotiations only if such disputes are solved. If there are some other problems, as I have already mentioned you could address grievance procedure. You were given special forms for this.

- Project Affected Person - *What if the line falls and my harvest is ruined or people are damaged? What will happen in this case?*

ACT Representative Shorena Tchokhanelidze - In case of all such unforeseen losses, the company is obliged to compensate the impacts.

- Project Affected Person - *Energy company obliges us to pay bills no later than 19-20 and if we do not pay on time we will be fined. However, neither energy company nor the government take responsibility for giving us 120 V or 300 V instead of 220 V and burn our gadgets or leave us without electricity. Energy Company does not take such responsibilities and what about you?*

ACT Representative Shorena Tchokhanelidze - When you are talking about electricity bills or quality of electricity you should address appropriate company. This issue is beyond this discussion about the project.

- Project Affected Person - *I have to pay for electricity on 19-20 and I can't do it. Quality of electricity is responsibility of electricity utility company.*
- Project Affected Person - *We are 50 households in the village and we live in terrible conditions. We are in danger of landslides from above, floods underneath and now these transmission lines. What will happen to us? Government does not want to take any responsibility for anything.*

ACT Representative Shorena Tchokhonelidze - Before starting such projects all possible negative effects of the project are studied and risks are taken into consideration. Only after that the plan of the project is presented to the government and only after its approval works can start. This project is implemented in accordance of high international standards.

- Project Affected Person - *I think instead of giving us compensations on the basis of a single paper, the company should help us with registration process. Why do not you do this?*

ACT Representative Shorena Tchokhonelidze - As I have already mentioned the company will help in some extend with land registration process, however nobody else could register land for you. First of all, you should withdraw appropriate documents in the archive.

- Project Affected Person - *As I understand audit company decides amount of our compensations, does not it? Will we be involved in this process or they will evaluate and decide? Has it been already decided?*

ACT Representative Shorena Tchokhonelidze - As I have already mentioned according to the company policy all project affected land users and land owners will be treated equally. Tariffs are defined by an independent audit company.

- Project Affected Person – *It is 220 kV transmission line, is not it?*

ACT Representative Shorena Tchokhonelidze – No, Madam. As I have already mentioned and as it presented in the information brochures, it is 35 kV transmission line.

- Project Affected Person – *Who could we give this completed grievance form to?*

ACT Representative Shorena Tchokhonelidze - Before completing those forms, try to negotiate with the company and only if agreement is not reached, complete the form and send to “Adjaristkali Georgia” and you will be given answers in 21 days.

Table B List of attendees

	Name and Surname	Settlement	Municipality
1	Goderdzi Abashidze	Kinchauri	Khulo
2	Akaki Shanidze	Kinchauri	Khulo
3	Dato Abashidze	Kinchauri	Khulo
4	Levan Shonia	Kinchauri	Khulo
5	Serozha Surmanidze	Kinchauri	Khulo
6	Roman Abashidze	Kinchauri	Khulo



7	Revaz Iremadze	Kinchauri	Khulo
8	Giorgi Shanidze	Kinchauri	Khulo
9	Tornike Shanidze	Kinchauri	Khulo
10	Omar Surmanidze	Kinchauri	Khulo
11	Guram Shanidze	Kinchauri	Khulo
12	Amiran Basiladze	Tcheri	Khulo
13	Nugzar Gorgiladze	Tcheri	Khulo
14	Mikehil Davitadze	Tcheri	Khulo
15	Bukhuti Surmanidz	Tcheri	Khulo
16	Givi Bolkvadze	Dzmagula	Khulo
17	Zviad Surmanidze	Tcheri	Khulo
18	Irakli Surmanidze	Kinchauri	Khulo
19	Lado Surmanidze	Kinchauri	Khulo
20	Dariko Tsetskhladze	Kinchauri	Khulo
21	Merab Shanidze	Kinchauri	Khulo
22	Zauri Gorgiladze	Tcheri	Khulo
23	Resan Srmanidze	Tcheri	Khulo

Meeting 3

Meeting location: Village Tsablana – Khulo municipality

19 people from Tsablana village attended the meeting. See Table C for the list of attendees.

Date: 28.05.2016

ACT representative Shorena Tchokhonelidze introduced herself to the project affected people in Tsablana. She also introduced representatives of “New Metal Georgia” Zaza Kachkachishvili and Davit Mzhavanadze and representative of “Adjaristskali Georgia” Avto Ivanadze. She briefly presented the main purpose of the meeting and its agenda to the audience and distributed Information Brochures of “Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project. After that Shorena Tchokhonelidze presented the project itself. Then project affected people were asked to express their opinions and raise questions regarding the introduced project.

- Project Affected Person - *We are interested in land registration issues and also about safety measures of this transmission line.*

ACT Representative Shorena Tchokhonelidze - In the frames of presented project specificity of the region is taken into consideration and all project affected real land users will be given compensation even if they do not have registration documents on land. However, I will repeat that it will happen in the frames of this project accordingly you would better register land plots that you claim to be yours. The company will do its best to help you in this process.

New Metal Georgia Representative Davit Mzhavanadze - Compensations will be paid even if there is no registration document on land. As for negative impact of the project, I would like to explain that there are required standards and sizes for each type of transmission line and such standards are taken into consideration and will be kept during construction process. Accordingly, no harm will be made on your harvest. The only restriction will be on four meter and higher trees. You can work as usual in buffer (RoW) zone and take compensation for restriction on trees and buildings there.

- Project Affected Person - *If there is no harm on harvest nor people, then we could discuss this issue. However, in recent years the whole harvest of potatoes has been damaged in Khulo probably because of radiation.*

New Metal Georgia Representative Davit Mzhavanadze - It could not have happened because of overhead transmission lines because electricity is pure and has no radiation. Your mobile phones have

more radiation than transmission lines. It has only magnetic field which does not exceed 2 meters of radius. As I have already told you appropriate size standards will be kept.

ACT Representative Shorena Tchokhonelidze - Only high trees and buildings are dangerous in the Right of Way (RoW) of transmission line. That is why there are restrictions in this zone and you are compensated because of these restrictions. And of course if productive tree is cut in your land, you will be given compensation too.

- Project Affected Person - *Does this line come from Akhaltsikhe? If a tree, for example oak was cut on my land, will the government be compensated for this? If a tree was cut and no compensation was given, what then?*

ACT Representative Shorena Tchokhonelidze – No, not from Akhaltsikhe. I would like to differentiate fruit trees from for example Spruce which is governmental property. Of course if such spruce is cut, its timber is given to the municipality and municipality government will decide how to use it.

- Project Affected Person - *If we could not agree after the negotiations, it means you will implement the project anyway.*

ACT Representative Shorena Tchokhonelidze - If you are affected land user nobody will begin any works on your land without agreeing with you.

New Metal Georgia Representative Davit Mzhavanadze - We apply European standards and there is no reason for not achieving agreement. You have cultivated, cultivate and will cultivate harvest in your lands. You will just be given additional compensations. Notwithstanding the fact that mainly this land is governmental property, the company, World Bank, Adjaristskali have taken into consideration existed situation and you will be given compensation notwithstanding registration issues. You will not lose anything anyway. The line will be of 35 kV and will have no harm on your harvest nor your health.

- Project Affected Person - *Who will we be depended on electricity?*

New Metal Georgia Representative Davit Mzhavanadze - Electricity supplier is “Energopro Georgia” and you should address them regarding this issue.

- Project Affected Person - *What about employment?*

New Metal Georgia Representative Davit Mzhavanadze - We are willing to employ local population, however our specializations are very specific and requires adequate experience. However, we will have positions like a guard and besides we will need to rent accommodation, purchase food and it would be good for the village of course.

- Project Affected Person - *Two companies are working in our village at the moments. And we are pleased. They helped us when there was a fire and in case of rain on the roads as well.*
- Project Affected Person - *Could you give your cars for a day and if we pay for fuel could you help us to carry stones or there are some restrictions on it.*

New Metal Georgia Representative Davit Mzhavanadze - We could not let our machinery for a whole day however we could help for an hour or two if you need digging ground or carry something or straighten road. Unfortunately, we could not help for a whole day.

Table C: list of attendees

	Name and Surname	Settlement	Municipality
1	Nodar Shanidze	Tsablana	Khulo
2	Revaz Makharadze	Tsablana	Khulo
3	Zebur Shanidze	Tsablana	Khulo
4	Natela Shanidze	Tsablana	Khulo
5	Temur Shanidze	Tsablana	Khulo
6	Raul Makharadze	Tsablana	Khulo
7	Beglar Shanidze	Tsablana	Khulo
8	Rolando Davitadze	Tsablana	Khulo
9	Ramaz Shanidze	Tsablana	Khulo
10	Ramaz Shanidze/Topan	Tsablana	Khulo
11	Nodar Davitadze	Tsablana	Khulo
12	Omar Davitadze	Tsablana	Khulo
13	Lado Davitadze	Tsablana	Khulo
14	Nodar Shanidze/Osman	Tsablana	Khulo
15	Badri Shanidze	Tsablana	Khulo
16	Murman Shanidze	Tsablana	Khulo
17	Nazi Shanidze	Tsablana	Khulo
18	Tengiz Shanidze	Tsablana	Khulo
19	Otar Shanidze	Tsablana	Khulo

Meeting 4

Meeting location: Shuakhevi Gamgeoba building – Shuakhevi municipality

12 residents from the village Beselashvilebi attended the meeting. See Table D for the list of attendees

Date: 08.06.2016

ACT representative Shorena Tchokhonelidze introduced herself to the project affected people from the village Beselashvlebi. She also introduced a representative of “New Metal Georgia” Zaza Kachkachishvili and a representative of “Adjaristskali Georgia” Avto Ivanadze. She briefly presented the main purpose of the meeting and its agenda to the audience and distributed Information Brochures of “Skhalta-Shuakhevi” 35 kV Overhead Transmission Line Project. After that Shorena Tchokhonelidze presented the project itself. Then project affected people were asked to express their opinions and raise questions regarding the introduced project.

- Project Affected Person - *Will it be in 50-60 meters radius? What will be the height?*

ACT Representative Shorena Tchokhonelidze – There are special international standards for the size of towers and the height will be calculated accordingly for each location taking into consideration specifications of the place. Mainly 110 kV transmission line towers will be used for 35 kV OTL project.

- Project Affected Person - *Will not it be dangerous?*

New Metal Georgia Representative Zaza Kachkachishvili - We provide sizes and drawings in line with international standards and then AGL/GSE/Energopro will discuss the details and decide the height and construction standards.

ACT Representative Shorena Tchokhonelidze - Anyway safety measures will be thoroughly kept.

- Project Affected Person – Will not it be overload? Is it like 220 kV line?

New Metal Georgia Representative Zaza Kachkachishvili - There is already 35 kV transmission line in your territory.

- Project Affected Person - *What about unregistered lands? Most of local population have not registered land plots and what will happen to them?*

ACT Representative Shorena Tchokhonelidze - Considering specificities and existed situation regarding land registration in the region, in the frames of presented project land users without land registration will be compensated too. However, I would like to repeat that it applies to the presented project. Accordingly, our recommendation for you will be the following: register your land plots and the company will help you whatever it can do.

Adjaristskali Georgia Representative Avto Ivanadze - We will give you consultation on land issues and in the frames of legislation help you in registration process if it is not disputed land plot.

- Project Affected Person - *We were refused to register land nearby river banks, what can we do?*

Adjaristskali Georgia Representative Avto Ivanadze - In case of governmental property like forest funds or river banks, compensation will not be given. Compensation will be given only on land plots that you use: pastures, arable land, land covered with greens even if they are not registered.

- Project Affected Person - *What about forests?*

Adjaristskali Georgia Representative Avto Ivanadze - As I have already mentioned there will be no compensation on forest funds.

- Project Affected Person - *Could not we use our land anymore? If I have 200 meters registered and 300 meters not registered, will it stay aside?*

ACT Representative Shorena Tchokhanelidze - Audit company will study productiveness of trees, harvest amount and compensations will be calculated accordingly. Besides, as Adjaristskali Georgia's policy intends to treat all affected people in equal manner, accordingly all project affected population are given additional compensation of vulnerable households which means that total amount of compensation for project affected household lands (as a result of the permanent land loss or servitude) will increase by 10 per cent. Furthermore, special assistance will be provided to affected families who loss more than 50 per cent of their productive land holding. In kind assistance for livelihood restoration will be provided, namely productive land that is considered suitable and reasonably distanced. Rough unsurfaced land will be prepared with soil and grass seed to allow cattle to graze and crops to grow.

- Project Affected Person - *In the times of communists 3000 square meters of land was registered, maximum 5000, only arable lands where corn or any other culture was cultivated. 1500 square meters was registered while a family owned 2 hectares of land. Accordingly, most of my land is not registered and will I receive more on registered land? As in case of shared land plots, it will be between us to negotiate.*

ACT Representative Shorena Tchokhanelidze - Compensation on registered and not registered land will be equal. However, I would like to repeat that it happens in the frames of this particular project and our recommendation for you is to register land plots which are used by your families.

Adjaristskali Georgia Representative Avto Ivanadze - The basis for registration are household records which are kept in the archives. Land plots of 2500-5000 square meters which were given to peasants in the Soviet times. Those land plots on the basis of land legislation are automatically given into the property. However, additional cadastral maps and registration is needed to be done. As for other land plots, according to land reform of 1998 land parcels in all villages were distributed among local households. Those protocols are kept in the archive, the recordings about who is the owner and how much land is owned by whom. Documentation should be taken from the archive and register land plots.

- Project Affected Person - *What if the owner is dead? What would happen in this case?*

Adjaristskali Georgia Representative Avto Ivanadze - Land parcels are registered on households and not a person. Accordingly, unless nobody left alive from the family, there will be no problem.

- Project Affected Person - *Does it apply to land parcels nearby river banks?*

Adjaristskali Georgia Representative Avto Ivanadze - This legislation is valid for homestead land plots. Water law came on force afterwards.

- Project Affected Person - *Social vulnerability status was abolished by the minister and what will be with that?*

ACT Representative Shorena Tchokhonelidze - It will have no influence on compensation amount. Additional 10 per cent is considered for all project affected people.

- Project Affected Person - *How much will square meter of land be?*

ACT Representative Shorena Tchokhonelidze - Audit company will define tariffs.

Table D: list of attendees

	Name and Surname	Settlement	Municipality
1	Nodar Diasamidze	Beselashvilebi	Shuakhevi
2	Murman Diasamidze	Beselashvilebi	Shuakhevi
3	Levan Diasamidze	Beselashvilebi	Shuakhevi
4	John Diasamidze	Beselashvilebi	Shuakhevi
5	Egnate Diasamidze	Beselashvilebi	Shuakhevi
6	Zviad Diasamidze	Beselashvilebi	Shuakhevi
7	Ramaz Diasamidze	Beselashvilebi	Shuakhevi
8	Nuri Diasamidze	Beselashvilebi	Shuakhevi
9	Nodar Diasamidze /Shukri	Beselashvilebi	Shuakhevi
10	Kazima Diasamidze	Beselashvilebi	Shuakhevi
11	Svetlana Davitadze	Beselashvilebi	Shuakhevi
12	Nodar Zoidze	Beselashvilebi	Shuakhevi

Appendix D. SES Instruments

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					
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 <i>Name of city/village</i>
	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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act

Respondent's signature / date _____ / _____ /

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