

Land Acquisition and Livelihood Restoration Plan Implementation Audit Report

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Adjaristsqali Hydropower Project (Georgia)

Prepared by Adjaristsqali Georgia LLC (AGL) for the Asian Development Bank

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Land Acquisition and Livelihood Restoration Plan Implementation Audit

Adjaristsqali Hydropower Project - Shuakhevi
Scheme

10 May 2014

Adjaristsqali Georgia LLC (AGL)

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List of Abbreviations

ADB	Asian Development Bank
AGL	Adjaristsqali Georgia LLC
AH	Affected Household
AP	Affected Person
CAP	Corrective Action Plan
CLO	Community Liaison Officer
CSR	Corporate Social Responsibility
EBRD	European Bank of Reconstruction and Development
FGD	Focus Group Discussion
GEL	Georgian Currency
HPP	Hydro Power Plant
IC	Information Centre
ISO	International Standard Organisation
IFC	International Finance Corporation
LALRF	Land Acquisition and Livelihood Restoration Framework
LALRP	Land Acquisition and Livelihood Restoration Plan
LRP	Livelihood Restoration Plan
MM	Mott MacDonald
NGO	Non-Governmental Organisation
SEP	Stakeholder Engagement Plan
SPS	Safeguard Policy Statement
US\$	United States Currency

Executive Summary

Adjaristsqali Georgia LLC (AGL) is developing the Shuakhevi Hydropower Scheme in the Autonomous Republic of Adjara in southern Georgia. AGL needs to acquire land use rights for project elements such as the reservoirs, dams, tunnel adits, access roads and construction camps. As AGL has been granted the right to resort to expropriation of land under Georgian law, the involuntary resettlement safeguards of the project lenders Asian Development Bank (ADB), International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) are triggered. In order to help meet the safeguard requirements, AGL has developed a Land Acquisition and Livelihood Restoration Plan (LALRP), the latest version of which is dated April 2014.

Mott MacDonald was commissioned to carry out a rapid audit of AGL’s implementation of the LALRP in a two week period in April 2014. We found that in general implementation has been slower than required given the status of the project and land acquisition activities and that key gaps exist between the LALRP and the situation on the ground. This report identifies key areas requiring further work from the perspective of the affected households (AHs) and compliance with Lenders’ requirements. The table below highlights the priorities for action and Section 5 of this report provides a list of all actions identified to improve compliance with the LALRP.

Topic	Priority	Action
Compensation	High	<p>Review the compensation arrangements for the 69 AHs to check that they meet with the LALRP’s provisions to cover the ‘replacement cost’ requirements of the ADB.</p> <p>Review compensation payments for the rest of the AHs (those losing less than 10% of their productive land) against agreements made with AHs and replacement cost criteria.</p> <p>Reconcile records of compensation payments made, investigate each case of potential underpayment and complete payment as per signed contract and in line with the LALRP for households affected by loss of less than 10% of land.</p> <p>Investigate claims regarding inaccessible/unproductive land and provide an explanation of the expected impact to the people concerned. Compensate in line with the LALRP if appropriate.</p> <p>Investigate inaccessible/unproductive land issue for severely affected households and compensate if appropriate.</p>
Grievances	High	Separate grievance log for land and general project performance

Topic	Priority	Action
		<p>grievances.</p> <p>Have land grievance log managed by land team.</p> <p>Insert columns to indicate priority and whether grievance was substantiated or unsubstantiated.</p> <p>Train all land officers to report all complaints relayed to them verbally in the villages as grievances.</p>
Livelihood restoration	High	<p>Prepare detailed Livelihood Restoration Plan (LRP) as required by LALRP to include:</p> <ul style="list-style-type: none"> • Consideration of fairness of trees compensation and development of in-kind restoration measures to those losing a significant number of trees if necessary. • Data on number of AHs trained and getting jobs on the project, type of work and incomes. • Measures to support those losing more than 50% of their land. • Measures to support those losing more than 10% of their land. • Measures to disseminate the content of the plan to the land team at AGL and assign responsibilities for its delivery. • Mechanism to prioritise APs for jobs once they have been through the training – AGL has already commenced this. • Consideration of which plots can be returned to productive use after the project, how this will be done and stakeholder engagement on this issue.
Monitoring	High	<p>Commence internal monitoring of LALRP and act on results.</p> <p>Commence external monitoring of LALRP and Corrective Action Plan (CAP).</p>
Capacity building and improving commitment to the LALRP	High	<p>Training land team and community liaison staff on appropriate aspects of LALRP.</p> <p>Prior to using Expert XXI for further land acquisition, ensure that they have read the LALRP and provide training on its contents if deemed necessary.</p> <p>Update contracts with Expert XII to contractually oblige them to adhere to the LALRP.</p>
Data management	High	<p>Improve record-keeping on information regarding land acquisition and livelihood restoration.</p> <p>Ensure that the excel database of information is kept up to date with all AHs and plots affected, contract numbers, amount of compensation paid, date of payment, payment transcript numbers, whether severely affected or losing 10% or more of land, whether plot is needed temporarily or permanently.</p> <p>Maintain up to date records on the number of AHs employed on the project, type of work, income and expected duration of employment.</p>

1 Introduction

1.1 Overview

Adjaristsqali Georgia LLC (AGL), a subsidiary of Clean Energy Invest AS,¹ is the Project Developer of the Adjaristsqali Hydropower Cascade Project ('the project') which is made up of three hydropower schemes, namely Shuakhevi, Koromkheti and Khertvisi in Georgia. In the early stages of project development, AGL prepared a Land Acquisition and Livelihood Restoration Framework (LALRF) to guide the preparation of Resettlement Action Plans (RAP) and Livelihood Restoration Plans (LRP) for each of the three schemes and meet the requirements of the 2012 International Finance Corporation (IFC) Performance Standard 5 (PS5): Land Acquisition and Involuntary Resettlement; and, the 2008 European Bank of Reconstruction and Development (EBRD) Performance Requirement 5 (PR5): Land Acquisition, Involuntary Resettlement and Economic Displacement. Prior to this a feasibility study, including an environmental and social impact assessment, was completed for the Adjaristsqali Hydropower Cascade Project.

Using the LALRF, a Land Acquisition and Livelihood Restoration Plan (LALRP) was prepared for the Shuakhevi Scheme. The LALRP, which complies with Georgian land law and other relevant legislation as well as with IFC PS5 and EBRD PR5, was disclosed on the AGL website in September 2013. Implementation of land acquisition and livelihood restoration for the Shuakhevi Scheme commenced in 2013 with the payment of compensation to affected households (AHs) and implementation of livelihood restoration measures via the AGL training centre. In January 2014, the LALRP for Shuakhevi dated September 2013, which was already endorsed by IFC and EBRD, was submitted to Asian Development Bank (ADB) for review and comments. Following ADB's review, several revisions were made to address ADB's SPS, Safeguard Requirement 2: Involuntary Resettlement and the latest version is dated 4 April 2014.

As part of their due diligence carried out in March 2014, ADB was informed by AGL that compensation payments for permanent land acquisition have been disbursed to all except 25 AHs. Investigation of this issue by Mott MacDonald in May 2014 revealed that there were in fact 31 AHs for which payments were outstanding and that these have all been paid by 8 May 2014.

In order to assure compliance, ADB requested that a detailed external review of LALRP implementation be submitted prior to Board approval. The purpose of the external review is to determine whether AGL's actions were in line with the LALRP, to identify outstanding compliance issues and actions to address these. This audit report is prepared to meet the request for an external review. Its scope is limited to reviewing the land acquisition and livelihood restoration activities described within the LALRP dated 4 April 2014. It is recognised that if there is additional land to be acquired, it should follow the LALRP process and the same entitlements should apply. Disclosure of any updated LALRP via hard copies at relevant locations and via the web will need to be undertaken on a timely basis to allow meaningful consultation.

¹ CEI was established in 2010 as a single purpose company to develop the project. It is a joint venture between Norsk Mineral AS (Norsk Mineral) and Clean Energy Group AS (CEG).

1.2 Structure of Report

The remainder of the report is structured as follows:

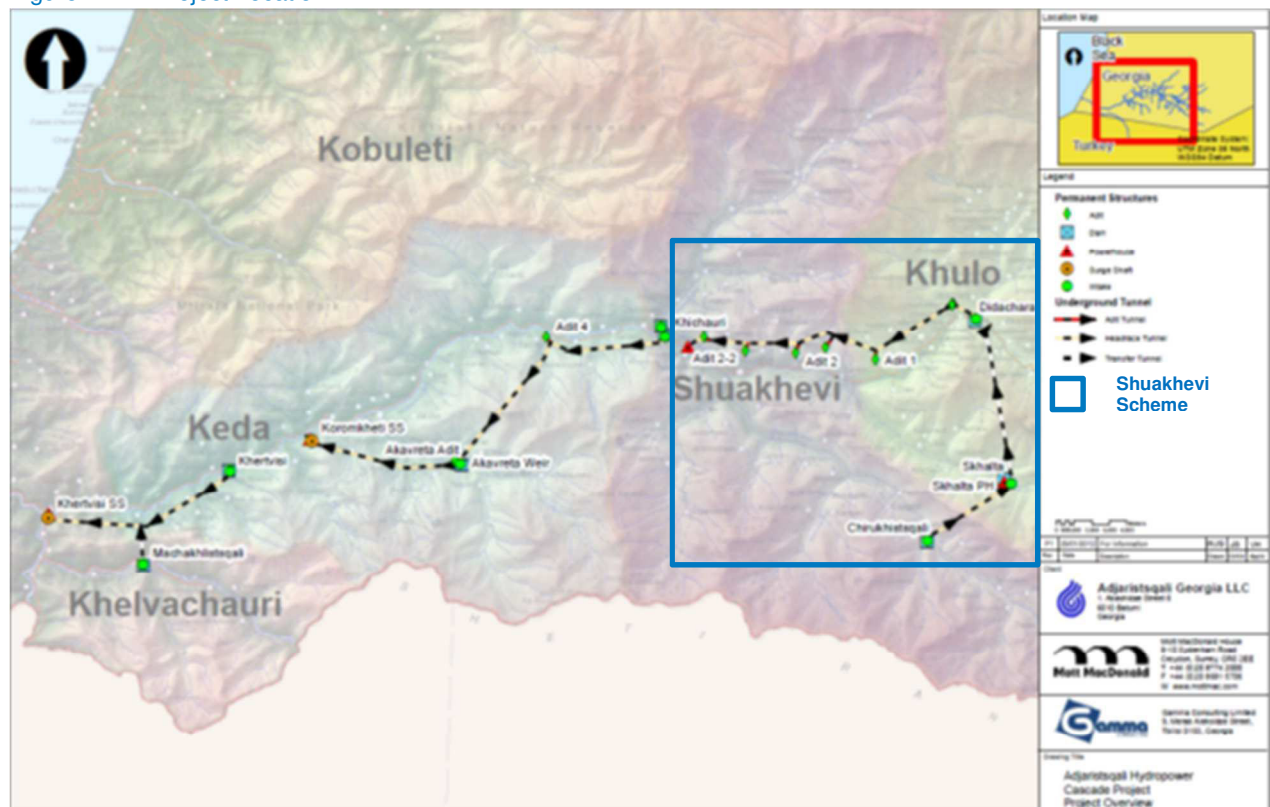
- Project Description
- Scope, Methodology and Execution of Audit
- Audit Findings
- Action Plan

2 Project Description

2.1 Project Location

The project is located on the Adjaristsqali River in the Autonomous Republic of Adjara in southern Georgia in close proximity to the border with Turkey (Figure 2.1). The Shuakhevi Scheme involves construction, operation and maintenance of two run-of-river hydropower plants (HPPs) operating in a cascade with a total capacity of 185 MW; one of 175MW at Shuakhevi and one of approximately 10MW in Skhalta.

Figure 2.1: Project Location



Source: Mott MacDonald Limited

2.2 Summary of Project Components

The project facilities include one weir on the Chirukhistqali River and two dams with reservoirs on the Adjaristsqali and Skhalta Rivers. The HPPs will be connected by three tunnels with total length of 32.7 km. River water will be diverted from the Chirukhistqali and Skhalta Rivers into the Didachara reservoir on the Adjaristsqali River through the 5.8 km transfer/headrace tunnel to the Skhalta reservoir and 9.1 km transfer tunnel to the Didachara reservoir. Water accumulated in the Didachara reservoir will be redirected to the main powerhouse through 17.8 km long headrace and pressure tunnels. The main HPP (175 MW) will be constructed on the right bank of the Adjaristsqali River near Shuakhevi town utilising water collected from

the Chirukhistsqali, Skhalta and Adjaristsqali Rivers, and a small HPP (10 MW) will be constructed at Skhalta village utilising water diverted from the Chirukhistsqali River.

The project will connect to the existing national grid at Batumi and Akhaltsikhe substations through a new 220 kV transmission line which will be constructed as a separate project. Construction of the new 220 kV transmission line will be undertaken in accordance with the national permitting requirements (this includes requirement to develop a standalone ESIA). The development of the transmission line is not included as part of the activities for which AGL are seeking financing from Lenders and therefore is not covered by the project LALRP.

2.3 Project Land Acquisition

The LALRP states that there is no physical displacement as a result of the Project and AGL confirmed this during the audit. However, as also detailed in the LALRP, the Project has required:

- Temporary land acquisition for: construction accommodation sites, laydown areas, construction workshops, etc.
- Permanent land acquisition for the: reservoir, reservoir buffer zone, powerhouse, surge shafts, sediment traps, tunnel face, tunnel adits and access roads disposal of spoil material. See details below.

In addition to the above, during land acquisition and in line with the demands of the Project, a small number of isolated pockets of grazing land were created, known as 'orphaned land'. The land user was compensated for this land. This type of scenario was encountered during the construction of access roads well away from the main construction areas. As these pockets of grazing are situated a safe distance from the construction areas, AGL allows the AH to graze their cattle in these areas. Cattle in these areas are transient and localised grazers due to the generally small areas available for grazing and the poor quality of land. These factors allow the cattle to be steered through the pockets of orphaned land.

According to the LALRP 440,055m² of land is estimated to be needed permanently for the Shuakhevi Scheme. Table 2.1 provides an overview.

Table 2.1: Estimate of Permanent Loss of Productive Land Belonging to AHs and the State

	No. of AHs	No. of Land Parcels	Registration Status of Land by Number of AHs Affected	Total Productive ² Land Affected (m ²)
Personal land loss	369	392	1 – unknown 330 – not registered 9 – all land registered 29 – some land registered & some land not registered	90,055
State owned or	None	30	N/A	350,000

² Productive land is defined in the LALRP as being arable.

	No. of AHs	No. of Land Parcels	Registration Status of Land by Number of AHs Affected	Total Productive ² Land Affected (m ²)
managed				
Total	369	422	369	440,055

Source: LALRP, April 2014 (originally from AGL Land Team, May and September 2013)

The LALRP states that some land use rights were also to be acquired temporarily through Land Lease Agreements. These arrangements were planned to be arranged through voluntary negotiated agreements and AGL aimed to change locations of temporarily required land if the private land owner or user was not willing to lease the land. The LALRP anticipated that approximately 20,000 m² of the Project’s required area was to be provided through voluntary lease agreements.

3 Scope, Methodology and Execution of Audit

3.1 Overview

This section provides a brief overview of the standards that apply to the acquisition of land and assets for the project. It also outlines the methodology used for the audit and the timeframes for execution.

3.2 Applicable Standards Governing Land Acquisition

3.2.1 Georgian Law

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 the LALRP.

One of the key principles in current Georgian legislation is that compensation of physical assets should be provided based on current market prices without depreciation. The law also provides for compensation from income losses (such as loss of harvest or business closure) to cover net losses. In addition the legislation places emphasis on consultation and prior notification of Affected Persons (APs) so that they can participate in the process.

AGL may legally enter into negotiated agreements with APs to acquire land rights within the framework of the laws of Georgia. The laws and implementing regulations offer the following possibilities to AGL to legally acquire land rights:

- To obtain property rights through negotiated settlement agreements 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.

3.2.2 ADB, IFC and EBRD's Land Acquisition, Involuntary Resettlement and Economic Displacement Safeguards

ADB's land acquisition and livelihood restoration requirements are presented in its Safeguard Policy Statement (2009), 'Safeguard Requirement 2 – Involuntary Resettlement' (ADB SR2). Those of the IFC are set out in Performance Standard 5 – Land Acquisition and Involuntary Resettlement (IFC PS5) and EBRD's are laid out in 'Land Acquisition, Involuntary Resettlement, and Economic Displacement', Performance Requirement 5 (EBRD PR5).

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement. Although it was planned in the LALRP to make every effort to avoid involuntary land acquisition, the project can resort to expropriation or impose legal restrictions on land use if negotiations fail. Hence ADB SR2, IFC PS5 and EBRD PR5 are triggered and their requirements must be met for lending to be provided. Further details on the specific requirements of the lenders are presented in the LALRP.

3.3 Methodology of Audit

3.3.1 Overview

The audit involved:

Desk review of the following documents for all 69 significantly affected households (those losing 10% or more of their productive land), including:

- Option Agreements (see Table 3.1 for detailed names of agreements)
- Sales/Lease Agreements
- Bank transcripts as the evidence of the compensation payments

Mott MacDonald has reviewed the initial list of 73 significantly affected households and found that four households' land was measured but not required at all and that five households' land was measured, an options payment was made but no further payments were made and the land has not been required. Therefore the number of significantly affected households is 64.

Desk review of the following documents for the last batch of 31 affected households who have received payment by 8 May 2014:

- Options Agreements (see Table 3.1 for detailed names of agreements)
- Sales/Lease Agreements
- Bank transcripts as the evidence of the compensation payment

Field investigation, including:

- A three day site visit to conduct a rapid appraisal of AGL's implementation of the actions detailed within the document and a short reporting period
- Interviews with four severely affected households (i.e. those losing 50% or more of their productive land) and focus group discussion with 37 participants from AHs
- Meetings with Mayors
- Interviews with AGL staff
- Review of grievance records and effectiveness of grievance mechanism of AGL in the field
- Review of the implementation of the latest version of the LALRP (April 2014)

Further details on the activities carried out during the site visit, the desk review of compensation payments and review of the effectiveness of the grievance mechanism are provided in the sub-sections below.

3.3.2 Field Investigations

3.3.2.1 Survey with Severely Affected Households

In the LALRP severely affected households are identified as those losing more than 50% of their land. Mott MacDonald conducted one-on-one surveys with severely affected households that were designed to assess the extent to which AGL had implemented the LALRP and the effectiveness of livelihood

restoration measures specifically designed for severely affected households. The aim was to survey all seven severely affected households however during the site visit AGL reported that one of the households previously identified as being severely affected only lost around 30% of its land and would therefore be re-categorised. Members of four of the six remaining households were available to participate in the survey: one in Didachara village, one in Akhaldaba village; and two in Batumi city. All of those surveyed were men.

The survey identified rates paid for lost land, satisfaction with compensation received, what the compensation has been used for, effectiveness of consultation and the grievance mechanism, effectiveness of livelihood restoration measures, monthly income, outstanding entitlements and self-evaluation of the economic state of the family over time.

3.3.2.2 Focus Group Discussions with Affected Households

In order to gather inputs from a wider range of AHs, three Focus Group Discussions (FGDs) were held during the site visit: two in Didachara (FGD 1 and FGD 2) and one in Akhaldaba (FGD 3). The first group in Didachara constituted two men; the second group constituted two women and 13 men; and in the final group in Akhaldaba there were six women and 14 men. In total there were 37 participants.

During the first part of the focus group participants were asked to discuss amongst themselves good and bad things about land acquisition for the project and then offer up either a good or a bad thing to the group. The second session involved the facilitator reading out a pre-set list of statements (through a translator) and asking the participants to agree or disagree. The final part asked the group to discuss change since the project had acquired land and to identify whether it was good change or bad change.

3.3.2.3 Meetings with Mayors

Mott MacDonald met with the Mayors of Shuakhevi and Khulo which are the two municipalities affected by project land acquisition. The meetings took the form of general discussion on land acquisition especially regarding issues raised by AHs and some structured questions designed to test the efficacy of LALRP implementation.

3.3.2.4 Interviews with AGL Staff

Interviews and discussions were held with various AGL staff and its consultants involved in the land acquisition process and payment of compensation. Those interviewed included:

- AGL's Environment, Health and Safety Manager
- One of AGL's Land Officers
- AGL's Chief Financial Officer
- Two representatives from Expert XXI³

Unfortunately AGL's Land Manager was not available to meet with the auditor during the site visit.

³ Expert XXI were responsible for evaluating land and assets and negotiating agreements with AHs.

3.3.3 Desktop Review of Documents and Information Provided

Mott MacDonald has received and reviewed all agreements and payment transcripts for the 69 AHs affected by loss of 10% or more of their land. A range of titles has been used by AGL for the land sale and lease agreements, as detailed in Table 3.1.

Table 3.1: Land purchase, land lease and tree compensation agreement names and uses

Document Title	Users or Owners	Usage of Agreement
Call Option Agreement on Cease of Land Usage	Land users	Used for original contracts. Included option payment, also referred to as pre-compensation payment, for land users. Land officially purchased from the state.
Agreement of Cease of Land Usage	Land users	Used for revised contracts, follows on from “Call Option Agreement on Cease of Land Usage”. Final contract does not include option payment. Land officially purchased from the state.
Call Option Agreement on Purchase of Unregistered Immovable Property	Land owners	Similar to “Call Option Agreement on Cease of Land Usage” before registration in public register was complete.
Immovable Property Sales Agreement	Land owners	Follows on from “Call Option Agreement on Purchase of Unregistered Immovable Property” once land is registered in public register.
Lease Agreement	Land owners	Used for temporary roads and for ground investigation works.
Agreement on Payment of Compensation for Trees	Tree owners	In some cases a one year agreement for trees is included in the original land contract and this four year contract has been used to extend this. Where not in the original contract this trees contract is for a five year period. AGL have confirmed that where there is no tree agreement it is because there were no trees.
JSC “Bank of Georgia” Transfer Order (No.)	All	Detailed bank transfers from AGL to AHs

We have also reviewed the grievance log and a sample of minutes of consultation meetings with affected people.

3.3.4 Desktop Review of Compensation Payment

After the draft findings of the initial audit were communicated, additional desktop review was requested related to compensation. In particular, Mott MacDonald was requested to verify that:

- compensation payments were agreed
- compensation payments have been paid in line with the agreements (Agreement of Cease of Land Usage and Immovable Property Sales Agreement)

For this verification process, six types of contracts (detailed in Table 3.1) and bank payment transcripts have been reviewed. The focus has been on the 69 AHs identified as losing 10% or more of their land and

on the 31 AHs for which payments were outstanding as of ADB's March 2014 visit. It is anticipated that verification of whether the compensation arrangements for the 69 AHs meet with the LALRP's provisions to cover the 'replacement cost' requirements of the ADB will be a condition precedent to first disbursement of the loan from ADB. Further, it is anticipated that verification of compensation payments for the rest of the AHs (those losing less than 10% of their productive land) will also be a condition precedent of the first disbursement from ADB.

3.3.5 Limitations

Several limitations were identified during the undertaking of the audit:

- The time available to conduct the initial audit and report findings was limited to less than two weeks due to the deliverable deadline, which has impacted upon the depth of the report
- Limited access to land acquisition related documentation and information, due to the way in which data is stored by AGL, has limited the level of review possible
- We were unable to survey all of the severely affected households during the initial site visit as two out of six were unavailable.

3.4 Execution of Audit

The audit was commissioned on 3 April 2014 and executed from 7 to 17 April 2014. The data required for the desk review of compensation payments was requested during the site visit but not received. Subsequent work on the desk review commenced on 25 April and was completed as far as possible based on the information available on 29 April. Another desk review of documentation commenced in Georgia on 7 May and was concluded on 8 May 2014. The audit was carried out by Mott MacDonald with co-operation from AGL, AHs, severely affected households, local mayors and AGL's consultants Expert XXI. The schedule of the audit is presented in Table 3.2.

Table 3.2: Schedule of LALRP Implementation Audit

Item	Location	Date
Interview with AGL's EHS Manager	Shuakhevi	7 - 8 April 2014
Meetings with Mayors	Shuakhevi and Khulo	8 April 2014
Focus group discussions	Didachara and Akhaldaba	9 April 2014
Severely affected households interviews	Didachara and Akhaldaba	9 April 2014
Interviews with staff	AGL's Batumi office	10 April 2014
Severely affected households interviews	Batumi	10 April 2014
Interview with Expert XXI	Batumi	10 April 2014
Reporting	United Kingdom	14 – 17 April 2014
Desk review of compensation payments	United Kingdom	25 – 29 April 2014
Desk review of documentation to verify contract agreements and payment transcripts	Batumi	7 – 8 May 2014

4 Audit Findings

4.1 Overview

This section presents the key findings of the audit. It is structured according to the main elements of the LALRP designed to reach compliance with lenders' standards, as follows:

- Methods of Evaluating Assets – this section of the LALRP describes how replacement cost was to be used as the basis for compensation, how compensation values for land, buildings, crops and trees were to be determined and how asset data was to be collected through a census and detailed measurement survey.
- Land Acquisition and Compensation Process – this section of the LALRP outlines eligibility and entitlements to compensation and livelihood restoration measures.
- Stakeholder Engagement – in the LALRP this section lists consultation activities and describes how stakeholders' concerns have been addressed.
- Grievance Management and Redress – outlines the planned method for handling land-related grievances.
- Livelihood Restoration – this part of the LALRP describes the skills development programme and local hire preference, financial management assistance, allowances, land registration and corporate social responsibility (CSR).
- Monitoring, Evaluation and Reporting – this details the plans for internal and external monitoring and for a resettlement completion audit.
- Schedule and Budget – this section outlines the planned schedule for land acquisition activities and the budget.

The general findings of the audit were that the contents of the LALRP are not well known amongst the project land team (Land Manager and Land Officers) or AGL's consultants and that a number of gaps exist between the plan and its execution. The remainder of this section discusses the headline issues and section 5 suggests an action plan to address key areas of non-compliance with the LALRP and data gaps.

4.2 Methods of Evaluating Assets

4.2.1 Equity and Equality of Valuations

The key concerns highlighted by AHs regarding asset evaluation were that similar rates of compensation were paid for very different quality pieces of land and that the methodology for evaluating losses related to lost trees resulted in compensation amounts that were too low.

Expert XXI explained that they used the comparative method to evaluate land. Whilst they researched many recent transactions in the Adjaristsqali valley, they found that only four were close enough to the project-affected land to base their values on. Expert XXI discounted very low values as these were considered likely to have been falsified by the owners to avoid tax and therefore to be misleading. Visits were made by Expert XXI to enumerate assets and evaluate each plot. Expert XXI reported that the various rates applied (between 6 and 12 GEL per m²) reflected steepness of the plot and soil fertility. The assertion that similar rates were used for vastly different quality of land was refuted by Expert XXI.

Expert XXI confirmed they had individual discussions with APs at their land plots to allow for an assessment on land quality, type and use. To deal with AP's that plead unfair payment, Expert XXI keeps detailed logs of the land along with photographic evidence.

The rate paid for fruit trees was based on the annual yield of the tree, specific to each farmer's yield. Yields and species were also verified by Batumi Botanical Gardens. Each AH was paid five times the annual yield per tree and Expert XXI reported that farmers were happy with this at the time. However one severely affected person reported that he was:

'Very unhappy with the rate for fruit trees. It takes at least ten years with intense care to get first fruit from even the worst kind of apple tree'.

Although the LALRP states that eight years' yield would be paid for nut trees, this was not substantiated by Expert XXI. It is worth mentioning, however, that AGL claims that the compensation they have committed in the sales agreements and the lease agreements has been paid in full, and such sales agreements and lease agreements have been signed by AHs. Full verification of this claim is subject to further auditing, as required by the Action Plan in section 5. It is recommended that AGL further considers the compensation for trees and develops in-kind restoration measures to those losing a significant number of trees if deemed appropriate.

4.3 Stakeholder Engagement and Communication

AGL has carried out a number of consultation meetings however minutes of all recent meetings (2014) are reportedly in Georgian and could not be sent for review. It is recommended that these are also recorded in English so that the internal and external monitors can review and act upon their contents. The minutes that were reviewed from previous years revealed that issues and queries related to land and livelihood restoration are raised at village meetings. AGL does not appear to have a systematic mechanism for responding to queries. In general the representatives of severely affected households stated that they felt well informed about the land acquisition process however the focus group participants did not.

During mid-2013 AGL contracted a non-government organisation (NGO), Batumi Business Incubator to provide financial advice on money management to affected households in Shuakhevi and Khulo. The advice covered how to use bank accounts, how to deal with large sums of money, how to develop small businesses such as cafés, shops, hair salons and grocery stores and how to avoid addictions. Despite this, some people in the project-affected area have reportedly been purchasing construction equipment such as excavators or transportation vehicles such as minibuses in the hope that the project contractor may sub-contract work to them. AGL stated that they have strongly advised against this and it is recommended that information disclosure continues on this topic.

The FGDs revealed a general consensus that AHs that received compensation were not satisfied with the compensation amount and were not advised which land will be temporary or permanently lost. The FGDs showed peoples' concern over future income and loss of grazing land. Positive aspects identified were the

establishment of AGL's Training Centre and the chance of employment. The overwhelming need amongst the AP's was employment.

Comments from stakeholders during the FGDs indicate that there is a poor understanding amongst villagers of the precise nature of impacts at the village level, particularly regarding loss of access to land which may be severed by the reservoir. For example at Didachara one person commented that the filling of the reservoir would block footpaths used to take cows for grazing on the opposite side of the valley. It is recommended that project team members with detailed knowledge about location-specific impacts conduct focus group meetings to discuss access and severance issues and that land team members and information officers are trained on the specific details of the project so that they can answer questions from villagers as they arise.

As a result of the audit, the verbal comments raised during the FGDs were recorded in the grievance log. AGL senior management has conducted a review of the grievances and prioritised a response to the concerns.

The interviews with representatives of severely affected households highlighted that there had been some miscommunication regarding the amount of land originally measured and the amount of land purchased, for example in response to the question 'Did you get the amount you were told you would get?', one person stated:

'At first they measured 22,000m², then they needed 17,000m²; nobody told me they didn't need the last 5,000m². This small patch of land is unusable as it is right next to the [workers accommodation] camp.'

APs that lost in excess of 10% of their land had a common concern about the long term effects on income generation. They also stated that their cattle had far less land to use for grazing. However, AGL indicated that other sections of land were available for grazing cattle. Clarity was offered by the AGL HSE Manager present during the FGDs on what areas are subject to temporary and permanently land loss. The APs in the FGDs were pleased that they would attain access rights to their previously lost land.

Mott MacDonald recommends that further stakeholder engagement and information disclosure are carried out to address these issues; specific actions are identified in section 5.

As a result of the audit AGL has indicated that it would be highly interested in having its CLO and Information Officer's read, understand and deliver on the specified topics of discussion listed in the SEP. AGL stated that this should be monitored by the AGL Social, Land & Environmental line manager with further monitoring from AGL's internal monitoring system. The internal monitoring system is established to ISO standards but to date has not been delivered.

AGL, through its use of Information Officers and Information Centre's (IC), intends to commence advising people in the affected communities of the land that will be subject to temporary and permanent loss. The aim will be to help assure people that their livelihoods, in the vast majority of cases, can be returned to normal or enhanced wherever possible. This task will be done with direct verbal communication, video images displayed as recurring TV messages in the ICs in Khulo and Shuakhevi, and with maps showing

lands for permanent and temporary use provided to each village in hard copy format. Acknowledgement of receipt of such maps by each village head should be obtained by AGL as evidence in case of future claims. AGL hope these activities could commence in late April 2014 and continue periodically through 2014 to ensure retention of facts.

4.4 Land Acquisition and Compensation Process

4.4.1 Compensation for Unusable Land

The statement at the end of section 4.3 raises a further issue about compensation for remaining portions of land made unproductive by the loss of affected land. The LALRP states that land made unproductive will also be compensated. Mott MacDonald's understanding of the use of the term 'unproductive' in the LALRP is in reference to the remaining patch of land's usability, accessibility, yield and economies of scale. In practice compensating for the remaining patch of land appears to have been implemented for some plots of land which were rendered inaccessible by the project (although information arising from FGD 3 and one of the severely affected household surveys suggests this has not always been the case). It is recommended that AGL responds to any grievances regarding this issue such as those raised in the grievance log and those people who raised the issue through this audit by investigating and providing an explanation of the expected impact to the people concerned. AGL may also need to compensate them in line with the LALRP, if appropriate.

4.4.2 Compensation Verification

4.4.2.1 Overview

Several of the interviewed affected people stated that land had been used by the Project without full compensation taking place. AGL confirmed this as accurate but also claimed that the AH had received partial payment of an agreed amount with a view to receiving full payment at an agreed later date before the commencement of full construction.

Mott MacDonald's review of paperwork focused on the agreement and payment of compensation for land acquisition and tree compensation to the entire 69 significantly⁴ affected land owners (although 69 AHs were reviewed, five AHs were found out to have not sold their land after the initial options agreement, thus the total number of AHs is 64) and users and to 31 AHs for which payments were outstanding as of ADB's March 2014 visit. There were two stages to the verification:

1. Verification that bank transcripts are in place for payment to all 69 + 31AHs
2. Verification that bank transcripts match the relevant contract values for each of the 69 + 31AHs.

AGL will be required to pay all outstanding compensation amount owed according to the agreements signed with the AH and in line with the LALRP. An external monitor will review and sign off and advise ADB of the status of payment subject to sufficient information being provided by AGL.

⁴ Those losing 10% or more of their land.

A summary table of the findings related to the 69 significantly affected households is provided in Appendix A and for the 31 AHs for which payment remained outstanding as of ADB's due diligence of March 2014 in Appendix B. All of the land agreements detailed in these Appendices are for purchase of land from land owners or compensation to land users who were using state land. The only compensation for leased land is detailed in the orange-headed columns in Appendix A, which was largely for drilling boreholes during the pre-construction works.

A full list of all AHs as provided by AGL in April 2014 is provided in Appendix C.

4.4.2.2 Verification against point 1

We have attended AGL's Batumi office and reviewed bank transcripts for all of the 69 significantly affected households. As a result of such review, it has been found out that AGL has not purchased lands from five AHs out of the total 69. Payment of compensation to 64 AHs has been confirmed. Further, it is confirmed that the payment to 31 AHs for which payment remained outstanding as of ADB's due diligence of March 2014 has been completed by 8 May 2014 (Appendix A and Appendix B respectively).

4.4.2.3 Verification against point 2

Our review of the bank transcript values against the various contracts for each of the 69 AHs indicated that: (i) 5 out of the total 69 AHs have not sold their lands to AGL; and (ii) of the remaining 64 AHs, there were five AHs for whom the paid amount does not match with the contract value (Appendix A) totalling GEL 17,827.5. The following explanations for each case have been given by AGL:

- a tree contract was signed in March 2014 and is still to be paid.
- a contract is currently under negotiation
- there is an outstanding payment for trees and the delay is due to confirming number and types of trees
- for an outstanding 800 GEL (which was an error related to a payment on trees), AGL has stated that it will process payment
- for a pre-compensation/options contract still to be paid, AGL has stated that it will process payment

Our review of the bank transcript values against the various contracts for each of the 31 AHs for which payment remained outstanding as of ADB's due diligence of March 2014 indicated that there were no cases of mismatch between bank transcripts and contract values (Appendix B).

4.4.3 Negotiated Settlements

The LALRP states one of AGL's key policies for the acquisition of land as:

'AGL will aim to achieve negotiated agreements on land acquisition with all APs with expropriation only being followed as a last resort where negotiation fails' (section 4.4).

The entitlements matrix, Table 6.1 of the LALRP, states that:

'Based on whether the land is arable or grazing, flat or sloped, close to a road or not, AHs are offered an amount based around the 4.6USD price point during negotiated settlements'.

Expert XXI stated that when APs asked for more money their staff explained the method of evaluation and the uplift of 10% that AGL had applied to account for vulnerability and that people were happy with this explanation. Expert XXI stated that if people were not happy then they would not have signed the agreements however it was acknowledged that no-one who tried to negotiate actually achieved a higher sale price for their assets.

When APs were asked whether they felt they could say no to the acquisition, six out of 20 in FGD 3 said 'no' and one of the four severely affected household representatives said 'no'. The severely affected household representatives interviewed were asked to rate their satisfaction with the prices received at the time of making the agreement on a scale from one to seven, with one being 'very unhappy' and seven being 'very happy'. Three out of four of those surveyed responded either one or two. Furthermore, in minutes of a meeting held by AGL in March 2013 in Chirukhistsqali the issue of land acquisition arose with a participant stating that:

'The price agreed on is not enough to buy new land. [Expert XXI] told us that we had to agree or AGL would expropriate the land'.

This indicates that AGL's intentions to negotiate settlements were not implemented by their evaluation consultants Expert XXI. It is recommended that for future work on the wider Adjaristsqali project (for example on the forthcoming Koromkheti scheme⁵) Expert XXI are trained, and contractually obliged, to adhere to the LALRP.

4.4.4 Temporary or Permanent Acquisition of Land

Another key issue raised during the audit was the lack of clarity over whether the purchased land was needed temporarily or permanently. AGL staff stated that it is their intention to return the land used for spoil deposits in an improved state for AHs to use once more after the project's needs are met. This is in line with efforts to restore livelihoods and we recommend that it is included in the detailed Livelihood Restoration Plan (LRP) which the LALRP specifies will be prepared by AGL. However there is a gap in the communication of this issue to AHs and regarding specifically which land might be re-usable in the future. One severely affected person stated:

'I was told by one of the land officers that I will get my land back after 6 years. But there is nothing in my contract about this.'

In response to the question 'would you have sold the land if you knew it was permanent acquisition?' The same person replied 'of course not'. Both people in FGD 1 and nine out of 20 of those in FGD 3 stated that they did not know whether their land was sold temporarily or permanently. AGL has been unable to provide

⁵ Koromkheti scheme is not an ADB financed project

tables to Mott MacDonald showing which land was lost permanently to the project and which was lost temporarily. There is a risk that people may have sold their land on the understanding that it will be returned when in fact it will not. There is a further risk that, as the compensation has been paid to all AHs based on the same methods of evaluation, the return of land to some people and not others will create further conflict in this area where protests and community conflict related to project are already widespread. Having said that, AGL has no legal obligation to return the land under the sales agreement, and such agreement has been signed by AHs. Naturally, the land acquired under the lease agreement will be returned when such agreement expires. AGL staff's comments on potential restoration of land seem to have created unnecessarily confusion among AHs. It is therefore recommended that if land is decided to be returned, consultation is held with affected communities to clarify which land will be given back and under what terms.

Based on the audit results and as part of the SEP process, AGL has identified that it will undertake periodic information exchange sessions with affected communities to ensure they are kept abreast of Project progress and land use status. As the temporary land is freed from the Project and is rehabilitated with trees and vegetation, these areas will be handed back to their previous owners and users. AGL plans that people will be advised of this during information days in the ICs in Khulo and Shuakhevi.

4.4.5 Compensation Timing

Three out of four of the severely affected households reported that some construction or enabling works had commenced prior to entitlements being paid. This is contrary to the LALRP and international standards on resettlement and AGL should work towards an improvement on this in the future. In particular, AGL should require the contractor to check with the Land Team before using or clearing any land either for permanent or temporary use.

4.4.6 Record Keeping

Four sets of agreements between land owners/users and AGL were provided for the initial review in April by Mott MacDonald to spot-check whether they correspond with the information in Annex D of the LALRP. Two of the records corresponded, although the number of affected trees is not included in the agreement, whilst two of the records provided were not listed in Annex D of the LALRP. They are also not included in the new data for the 31 AHs for which payment remained outstanding as of ADB's due diligence of March 2014. This is a cause for concern and means that there are likely to be more AHs than originally thought. An updated audit report on the LALRP will need to be prepared to reflect all AHs and APs. Record-keeping should be improved within AGL's land team.

Further to these audit results, AGL has indicated it will initiate its own internal audit to measure and assess the implementation and completion on the LALRP process in late May or early June 2014. The result of the internal audit will be made available to the Lenders.

4.5 Grievance Management and Redress

The grievance mechanism for land acquisition is combined with the general project performance grievance mechanism and all grievances are recorded in the same log by the project’s Community Liaison Officer (CLO) working in the Batumi office. The grievance log submitted for review by Mott MacDonald highlights a number of issues including:

- grievances are not closed out within the timeframes according to the LALRP
- there are grievances dating from 2013 which do not appear to have been resolved
- it is not clear whether responses are being given to complainants to acknowledge receipt of their grievances
- a large number of cells of the log are not filled in

Based on the grievance log provided to Mott MacDonald (see Appendix D), for 2012, 2013 and 2014 there are 54 complaints related to land acquisition and compensation. Of these, 41 appear to have been resolved while the remaining 13 are yet to be closed out by AGL. A summary of grievances is provided in Table 4.1.

Table 4.1: Summary of Number of Grievances

	2012	2013	2014	Total
Number of grievances	48	69	34	151
Number of land-related grievances	17	25	12	54
Number of grievances related to land that remain unresolved	1	3	9	13

Source: AGL Grievance Log

The nature of the grievances changes with time. In 2012 there were a number of requests for help and concerns expressed about loss of land. Through 2013 and into 2014, grievances have become more specifically related to individual plots and claims for compensation. A summary of the nature of grievances is provided in Table 4.2. The most common type of land grievance concerns disputes between family members about ownership or with neighbours about borders.

Table 4.2: Summary of Nature of Grievances

Nature of grievance	Frequency			Total
	2012	2013	2014	
Feared loss of community cohesion	1	0	0	1
Feared low compensation	1	0	0	1
General concern	5	0	0	5
General request for help as plot to be flooded	2	0	0	2
Request for early payment of full compensation	1	0	0	1
Delayed compensation	0	2	6	8
Disputed ownership	4	9	0	13
Lost access	0	1	1	2

Nature of grievance	Frequency			Total
	2012	2013	2014	
Lost social assistance	0	1	0	1
Low land price	0	1	0	1
Low trees price	0	1	0	1
Measurement of land	0	4	0	4
Re-count of trees	0	1	0	1
Request to sell whole plot	1	1	3	5
Underpayment	2	1	2	5
Other	0	3	0	3
Total	17	25	12	54

Source: AGL Grievance Log

We recommend separating out the land grievance mechanism from the general project performance grievance mechanism and transferring responsibility for the land grievance mechanism to the Land Manager or one of his team. Further, all members of the land team and wider project team should be informed that any grievances related to land, reported to them verbally, should be directed to the grievance mechanism manager and responded to as grievances in line with the LALRP.

4.6 Livelihood Restoration

The severely affected households interviewed were asked how much of their compensation they had spent and responded 0, 30, 50 or 100% respectively. Two of those who had spent some of the compensation money had bought accommodation in Batumi (one of whom had also bought a car) and the other was spending his money on subsistence as he is currently studying. The members of severely affected households that were interviewed stated that their household's current monthly income was GEL 35, 42, 400 and 'unknown' (due to unknown effects of loss of land and trees on income). The lowest income identified in the original socio-economic survey was less than GEL 50 and people with this income were considered to be amongst the poorest in the project area. Although specific information on these households' income prior to loss of land is not available and therefore analysis of whether their incomes have improved in line with ADB requirements is not possible, it is clear that two of the severely affected households have very low cash incomes.

The overall impressions gained from the three FGDs were that there is disappointment surrounding the lack of jobs that have materialised for local people, that compensation is considered to be low and/or unfair and that promises made by AGL have not been kept. All 37 participants disagreed with the general statement that the project has made the community better off.

Other significant comments noted from the interviews and FGDs include:

'Land is priceless for a farmer'

'There is not much land and we sold the land we were eating from'

'Money can be spent very soon but land can be used for a long time'

'In this moment people [who sold land] have more cash, but [the outcome] depends on how they spend the money.'

With the exception of one member of a severely affected household who received skills training, none of the four severely affected AHs surveyed received anything other than cash. The LALRP's entitlements matrix plans that in addition to cash they would receive hay or other fodder, skills training and possibly land where available. The one person who did benefit from skills training said it was very useful and although he had been offered a job he did not take it as he felt that others in his village were in greater need of employment at that time. It should be noted that two out of the four severely affected household members surveyed lived in Batumi, one being a student and the other being an engineer and were unlikely to take up the skills training if it was offered to them. However it would be reasonable to expect that someone else in their household would be prioritised for training or that they should at least be offered training, to which both replied that they were not.

Of the main contractor's current workforce of 356, 116 are Georgian. Of the 116 Georgian, 36 went through the skills development programme, five of whom are women who are employed in cleaning and catering roles and 31 are men doing site work and labouring. Those who were not trained through the skills development programme are employed as site security, drivers and labourers. Gender-disaggregated information on the number of people from AHs receiving training and getting jobs on the project was requested but not received. There is no mechanism to prioritise APs for jobs once they have been through the training. This is recommended in order to improve chances of livelihood restoration for AH and to meet with some of the expectations generated by the provision of skills training. In response to discussions on the site visit AGL has already commenced action on this issue.

It is recommended that further consideration be given to the prices paid for trees as the evaluation of trees was called into question by some AHs. It is not recommended that more cash is paid to those losing trees as this could further exacerbate perceptions of inequity, however further consideration could be given to this issue in the detailed LRP (see section 4.4.4), such as the possibility for provision of in-kind entitlements.

The detailed LRP could also include measures to encourage apiculture and fish-farming as interest was expressed in these activities by the severely affected households. Loss of acacia trees was suggested as having a negative impact on honey production in FGD 2; it is recommended that AGL investigates this impact and develops mitigation measures, if appropriate, which could be incorporated into the detailed LRP.

4.7 Budget

The budget was discussed with the Chief Financial Officer who stated that the actual spend on land acquisition and compensation to date was US\$5.1 million, comprised of \$4.8 million on land and assets and \$300,000 for mapping and evaluation. Mott MacDonald has verified compensation paid to 100 AHs which totals GEL 1,977,309.5

4.8 Monitoring and Reporting

Internal monitoring is not yet taking place. Carrying out regular monitoring on implementation of the LALRP would improve knowledge in the project team about the impacts arising from land acquisition and the efficacy of mitigation measures, allowing them to act upon any gaps or unfinished work. It is recommended that monthly monitoring within AGL commences as soon as possible and AGL has advised that they plan to contract an external consultant to carry out independent audits of LALRP implementation on a six-monthly basis to commence in June 2014.

4.9 Summary of Findings

Mott MacDonald has reviewed the initial list of 73 significantly affected households (those losing 10% of more of their land) and found that four households' land was measured but not required at all and that five households' land was measured, an options payment was made but no further payments were made and the land has not been required for the Project. Therefore the number of significantly affected households is 64. Of the remaining 64 AHs, there were five AHs for whom the paid amount does not match with the contract value (Appendix A) totalling GEL 17,827.5 – explanations for this are given in Section 4.4.2.3.

Payments have been completed for all of the 31 AHs for which payment was found to be outstanding during ADB's due diligence visit of March 2014.

5 Action Plan

5.1 Overview

Table 5.1 presents the actions suggested to improve compliance with the LALRP. Each action has been given a priority which corresponds with our consideration of its urgency, the severity of the non-compliance and the significance of the issue for restoring livelihoods.

Table 5.1: Action Plan to improve LALRP compliance

#	Topic	Priority	Action	KPI	Timeframe
1	Compensation	High	<p>Review the compensation arrangements for the 69 AHs to check that they meet with the LALRP's provisions to cover the 'replacement cost' requirements of the ADB.</p> <p>Review compensation payments for the rest of the AHs (those losing less than 10% of their productive land) against agreements made with AHs and replacement cost criteria.</p> <p>Reconcile records of compensation payments made, investigate each case of potential underpayment and complete payment as per signed contract and in line with the LALRP for households affected by loss of less than 10% of land.</p> <p>Investigate claims regarding inaccessible/unproductive land and provide an explanation of the expected impact to the people concerned. Compensate in line with the LALRP if appropriate.</p> <p>Investigate inaccessible/unproductive land issue for severely affected households and compensate if appropriate.</p>	<p>Payment records</p> <p>Excel Sheet</p> <p>Household by household record of each investigation with photos, measurements and reasoning, signed by AH representative.</p>	<p>Review of replacement cost criteria against compensation prior to first disbursement.</p> <p>Review of compensation for those losing less than 10% of their land prior to first disbursement.</p> <p>All compensation payments due during the period before the first disbursement by ADB should be completed.</p> <p>Begin investigating claims by mid-May 2014. Aim to complete within one month.</p>
2	Consultation	Medium	<p>Ensure that comments raised to land officers during meetings and informal discussions at villages are documented and responded to in a timely manner. Land officers and other staff visiting villages to respond to issues as they arise if possible; any outstanding issues should be reported back to the CLO for raising in the grievance mechanism.</p> <p>Train land team on above.</p> <p>Record minutes of meetings in English.</p> <p>Record all land-related stakeholder engagement in a communications log specifically for that purpose.</p> <p>Weekly meeting between land team, CLO and information officers to ensure that consistent messages are being given to communities.</p>	<p>Written mechanism.</p> <p>Training records/signed attendance list.</p> <p>Minutes.</p> <p>Land communications log.</p>	<p>Implemented end of July 2014 and to be continued throughout construction and operation.</p>
3	Information disclosure	Medium	<p>Continue to advise against purchase of expensive equipment in advance of securing contracts for work on the project.</p> <p>AGL to conduct meetings at village level to inform people about access restrictions to be caused by the project to reduce confusion on this topic. Appropriate mitigation to be discussed with affected people and implemented by AGL.</p> <p>Train land officers and information officers on technical aspects of the project so that they can answer questions in the villages.</p>	<p>Communications log.</p> <p>Minutes of access meetings and communications log.</p> <p>Training records/signed attendance list.</p>	<p>By end of May 2014 and to be continued throughout construction.</p>
4	Grievances	High	<p>Separate grievance log for land and general project performance grievances.</p>	<p>Land grievance log.</p>	<p>By end of May 2014.</p>

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#	Topic	Priority	Action	KPI	Timeframe
			<p>Have land grievance log managed by land team.</p> <p>Insert columns to indicate priority and whether grievance was substantiated or unsubstantiated.</p> <p>Train all land officers to report all complaints relayed to them verbally in the villages as grievances.</p>	<p>Job descriptions for members of the land team.</p> <p>Training records/signed attendance list.</p>	
5	Livelihood restoration	High	<p>Prepare detailed Livelihood Restoration Plan (LRP) as required by LALRP to include:</p> <ul style="list-style-type: none"> • Consideration of fairness of trees compensation and development of in-kind restoration measures to those losing a significant number of trees if necessary. • Data on number of AHs trained and getting jobs on the project, type of work and incomes. • Measures to support those losing more than 50% of their land. • Measures to support those losing more than 10% of their land. • Measures to disseminate the content of the plan to the land team at AGL and assign responsibilities for its delivery. • Mechanism to prioritise APs for jobs once they have been through the training – AGL has already commenced this. • Consideration of which plots can be returned to productive use after the project, how this will be done and stakeholder engagement on this issue. 	Detailed LRP.	By end of July 2014.
6	Internal Monitoring	High	Commence internal monitoring of LALRP and act on results.	Monthly internal monitoring reports.	By end of May 2014.
7	Capacity building and improving commitment to the LALRP	High	<p>Train land team and community liaison staff on appropriate aspects of LALRP.</p> <p>Prior to using Expert XXI for further land acquisition, ensure that they have read the LALRP and provide training on its contents if deemed necessary.</p> <p>Update contracts with Expert XII to contractually oblige them to adhere to the LALRP.</p>	<p>Training records/signed attendance list.</p> <p>Updated contracts.</p>	<p>By end of July 2014.</p> <p>Prior to procuring services of Expert XII.</p>
8	Roles and responsibilities	Low	Develop job descriptions for members of the land team to include expected hours of work, number of hours in the office and in the field, expected tasks to be carried out weekly and monthly, reporting of grievances, compliance with LALRP.	Job descriptions.	By end of July 2014.
9	Data management	High	<p>Improve record-keeping on information regarding land acquisition and livelihood restoration.</p> <p>Ensure that the excel database of information is kept up to date with all AHs and plots affected, contract numbers, amount of compensation paid, date of payment, payment transcript numbers, whether severely affected or losing 10% or more of land, whether plot is needed temporarily or permanently..</p> <p>Maintain up to date records on the number of AHs employed on the project, type of work, income and expected duration of employment.</p>	<p>Excel database.</p> <p>Employment information tables.</p>	By end of May 2014.
10	Update of LALRP	Low	<p>So that LALRP is fully up to date with the findings of this audit in preparation for use as a template for further land acquisition:</p> <p>Update LALRP to re-define 'productive' land in line with AGL's interpretation (i.e. not just</p>	Updated LALRP.	By end of July 2014 and before any further additional land to be acquired or assets

Land Acquisition and Livelihood Restoration Plan Implementation Audit

Adjaristsqali Hydropower Project - Shuakhevi Scheme



#	Topic	Priority	Action	KPI	Timeframe
			<p>arable but arable and grazing land).</p> <p>Include entitlement to sale of land rendered unproductive and/or inaccessible by loss of land to the project in the entitlements matrix.</p> <p>Revise section 5 and the entitlements matrix to reflect the correct evaluation method.</p> <p>Identify new or additional land to be acquired or assets to be affected and include information on any additional affected households.</p>		affected.
11	Completion audit (internal) on April 2014 LALRP	Medium	<p>AGL to prepare LALRP completion audit report, including the following information:</p> <ul style="list-style-type: none"> • Update number of severely affected people. • Provide table showing which AHs lost 10% or more of their land. • Update Annex E with amount of compensation paid, payment date, loss of more than 50% or 10% of land, if plot is needed temporarily or permanently, ensure all AHs and plots included. • Provide summary tables for land needed permanently and land to be returned to AHs. • Update budget. 	Completion audit report.	After 31 AHs have been paid (see row 1 of this table).
12	External Monitoring	High	<p>An external monitor will review, sign off and advise ADB of the status of the implementation of this Corrective Action Plan (CAP) including confirmation of payment as per signed contracts and other relevant documentation (as far as possible according to relevant information to be provided by AGL) and in line with the LALRP.</p> <p>External monitor to undertake external monitoring of LALRP and CAP implementation.</p>	Semi-annual external monitoring reports	<p>First report by end June 2014 covering the implementation of the CAP.</p> <p>Subsequent external monitoring report to be submitted every June and December of each calendar year.</p>



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Appendix A. Sixty-nine Significantly Affected Households

The information in Appendix A is not publicly disclosed for privacy and confidentiality.

Appendix B. Thirty-one Outstanding Payments

The information in Appendix B is not publicly disclosed for privacy and confidentiality.

Appendix C. Full list of AHs as provided by AGL April 2014

The information in Appendix C is not publicly disclosed for privacy and confidentiality.

Appendix D. Grievance Log

The information in Appendix D is not publicly disclosed for privacy and confidentiality.