

Detailed Livelihood Restoration Plan

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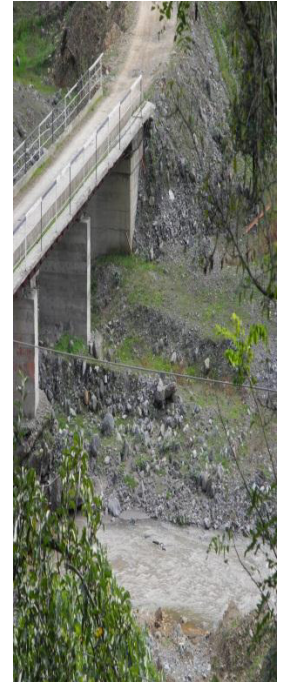
Adjaristsqali Hydropower Project (Georgia)

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

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Adjaristsqali Hydropower Project
Shuakhevi Scheme

December 2014

Adjaristsqali Georgia LLC (AGL)

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Executive Summary

Introduction

Adjaristsqali Georgia LLC (AGL) is the Project Developer of the Adjaristsqali Hydropower Cascade Project comprised of three hydropower schemes, namely Shuakhevi, Koromkheti and Khertvishi in Georgia. This Detailed Livelihood Restoration Plan (LRP) is prepared to respond to requirements of the International Financial Corporation (IFC), European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB).

As part of the project, approximately 490,000m² land was acquired in 2012-2013. All land acquisition activities have been guided by the Land Acquisition and Livelihood Restoration Plan prepared by Mott MacDonald in 2013. The Environmental and Social Compliance Audit Report of June 2013 identified the need to prepare a Detailed Livelihood Restoration Plan tailored to the resettlement affected people for the Shuakhevi Scheme.

Focus Groups

Mott MacDonald was commissioned by AGL to conduct nine focus group discussions targeting severely and significantly affected people who lost over 10 percent of their land. The focus group discussions took place in October 2014 in easily accessible village 'hubs' where affected people from neighbouring villages were invited.

The participating villages were Chanchkhalo, Skhefela, Akhaldaba, Makhalakidzebi (Shuakhevi Municipality), Kvatia, Diakonidzebi, Didadzara, Tsablana and Pachkha (Khulo Municipality). The livelihood restoration activities suggested by the participating villages included agricultural activities similar to their economic activities before land acquisition. Several villages recommended the construction of manufacturing facilities in the area, however, not primarily for job creation but to create demand for their agricultural products. Small business activities and low rate credit was also mentioned as options to expand their production and invest in machinery. Employment opportunities offered by AGL are generally welcomed by affected people who would like more jobs to be created for them.

Key findings

As an overall conclusion focus groups identified that the affected people do not want to change their current lifestyle and would still like to be primarily engaged in agricultural production and livestock rearing. In general affected people wanted to continue to work as self-employed farmers and supply their produce to markets and companies. After consultation with AGL and the Social Policy Advisor of Clean Energy Invest. AGL has adopted key activities to support the desire of affected people to continue to engage in agricultural activities and livestock rearing. These include (i) provision of allowance to support livelihood restoration as per land acquisition contract which included a one off payment of an allowance to support individual livelihood activities; (ii) recultivation of some parcels of land acquired for temporary use during construction and allowing the communities to use the land; and (iii) implementation of the livelihood restoration measures presented in table ES1 overleaf which have been identified by Mott MacDonald and accepted by AGL. This DLRP focuses on (ii) and (iii) as allowances have been covered by the LALRP audit of payments made as per the land acquisition contracts.

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The need to provide more training in order to facilitate livelihood restoration activities in Table ES1 has also been identified during the focus groups. Recommendations to this effect are included in this Detailed Livelihood Restoration Plan.

Table ES1: Detailed Livelihood restoration activities

| Sector | Activity | Details of activity facilitated by AGL | Comments, notes |
|-------------------------|---|--|---|
| Agricultural activities | Bilberry production | Training on efficient techniques of production | The aim is for the APs to plant bilberry trees and other fruit trees and create a better market for this product |
| | Nut production | Training on efficient techniques of production | Walnut is especially popular and expensive in the region, peanut production was also supported |
| | Diversification of animal rearing – including cow rearing and poultry | Training on efficient techniques of cow rearing and health and safety ¹ | Rearing more cows was mentioned in all villages, poultry was not supported in many villages as they say it requires too much water which they do not have |
| | Beekeeping | Training on beekeeping practices, health and safety | A quota will be introduced to avoid oversupply of honey, protective equipment and training on health and safety will also be provided |
| | Fish farming | Training on efficient fish farming techniques, training on modern equipment that could be introduced | Alternative modern technologies will be identified in order to support his activity. Concerns were raised by villages about water quality and quantity |
| SME activities | Low rate credit for business development | Working with the Ministry of Agriculture and UNDP to facilitate the building of SMEs in the region | The current Ministry programme on the facilitation of cooperatives provides easier access to low rate credit |
| | Trading fairs | AGL, the Ministry of Agriculture and UNDP to work on organising trading fairs, or inviting farmers to fairs in Batumi in order to assist local farmers to enter the markets and introduce them to companies who might buy their products | It is not the sole responsibility of AGL to research and/or organise such fairs, it should be a joint effort with the Ministry of Agriculture and UNDP. |
| Employment | Employment with AGL | Diversifying employment opportunities with AGL and set up a rotation system that allows more APs to be employed during the CP | As a short term solution only during CP |

Implementation

The Ministry of Agriculture and UNDP are identified as key actors for cooperation, as they offer small business programmes to facilitate efficient agricultural production and the application of modern technology. AGL has already met the Head of Agricultural Development Department from the Ministry and UNDP to discuss possibilities for synergies and both organisations welcomed the initiative.

¹ Cows are currently wandering around on the roads without supervision causing disruptions in traffic and accidents

1 Introduction

1.1 Aims and Objectives

The aim of this document is to provide a detailed plan to provide livelihood restoration options for the people affected by land acquisition as a result of the Shuakhevi Hydropower Scheme in the Autonomous Republic of Adjara.

This document was prepared in line with principles and requirements reflected in the Land Acquisition and Livelihood Restoration Framework (LALRF) and the Land Acquisition and Livelihood Restoration Plan (LALRP) prepared in 2013.

The objectives of this document are to:

- Provide background on livelihoods in the area,
- Report on the findings of focus group discussions with affected people
- Identify feasible livelihood restoration options and alternative economic activities that can be facilitated by AGL
- Specify an implementation schedule for activities and programmes

This document provides recommendations for implementation and identifies the roles and responsibilities of participating actors.

1.2 Background to the Detailed LRP

Adjaristsqali Georgia LLC (AGL) is the Project Developer of the Adjaristsqali Hydropower Cascade Project comprised of three hydropower schemes, namely Shuakhevi, Koromkheti and Khertvisi in Georgia. In the early stages of project development in 2013, AGL adopted a Land Acquisition and Livelihood Restoration Framework (LALRF) and prepared a Land Acquisition and Resettlement Plan following the requirements of the International Finance Corporation (IFC) Performance Standard 5 (PS5): Land Acquisition and Involuntary Resettlement (2012); and, the European Bank of Reconstruction and Development (EBRD) Performance Requirement 5 (PR5): Land Acquisition, Involuntary Resettlement and Economic Displacement (2008) and reviewed against ADB's Safeguard Policy Statement Safeguard Requirement 2 on Involuntary Resettlement.

The Project is being developed in cooperation with IFC InfraVentures, an early stage project developer launched by IFC, a member of the World Bank Group. EBRD and ADB are key Project lenders (IFC, EBRD and ADB are jointly referred to as 'the Lenders' in this document).

In order to comply with the Lenders' requirements, an Environmental and Social Compliance Audit Report (ESCAR) was prepared by AGL in June 2013. The ESCAR covered the land acquisition that had been completed for the AW. Towards the end of 2013, land required by the Project as identified in the 2013 LALRO were acquired and a more comprehensive audit was undertaken against the commitments in the LALRP and ADB SPS SR2. Corrective measures were identified including the need for this Detailed Livelihood Restoration Plan for the affected people.

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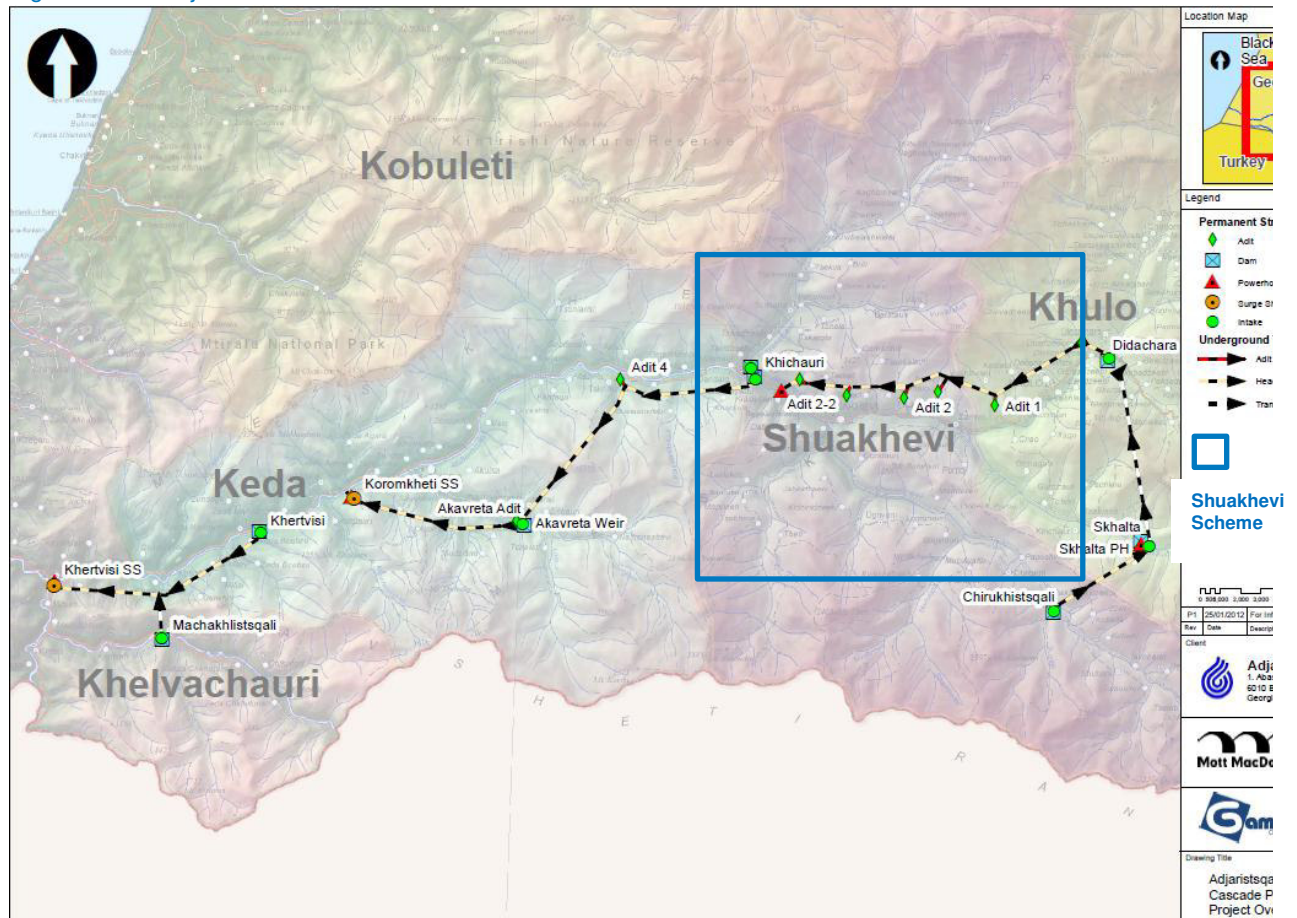
AGL commissioned the UK based consultant Mott MacDonald (the consultant), to prepare this document, which is a Detailed Livelihood Restoration Plan that offers alternative economic activities for affected persons (APs).

The Project developed a Corporate Social Responsibility (CSR) initiative in order to provide benefits to the affected communities (ACs). Activities under the CSR initiative are included in section 3.3, however, it is important to note the distinction between the CSR activities and activities that this Detailed LRP recommends. This document is a response to Lenders' requirements and thus forms part of the covenants under the loan agreement, while the CSR initiative is additional and is not a requirement under the policies of the Lenders. The Detailed LRP only contains livelihood restoration measures for people affected by land acquisition, however, where there is an overlap to integrate LRP and CSR activities the document highlights the opportunities.

1.3 Shaukhevi Project Description

The Adjaristsqali Hydropower Cascade Scheme and the Shaukhevi Project component are located on the Adjaristsqali River in southern Georgia in close proximity to the border with Turkey (see the map and key sites in Figure 1.1 overleaf). The Project involves construction, operation and maintenance of two separate run-of-river hydropower plants (HPPs) operating in a cascade with a total capacity of 185 MW. The Project facilities include one weir on the Chirukhistsqali river and two dams with reservoirs on the Adjaristsqali and Skhalta rivers.

Figure 1.1: Project Location



Source: Mott MacDonald Limited

The Project required the following:

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

Based on the LALRP Audit, AGL acquired the following parcels of land on temporary and permanent basis:

- 250,000m² for the reservoir and 5m buffer zone
- 100,000m² for the spoil deposits
- 100,000m² for the roads and buildings
- 40,000m² for the reservoir (forest belonging to the villages of Tsublana)

All land has been, or is being acquired as if it will be permanently acquired. AGL is committed to recultivate the land acquired for temporary structures and allow the communities to use the land.

There might be the need for additional land acquisition throughout the project's life cycle. AGL has the capacity and sufficient guidance within the LALRP to manage further land acquisition processes in line with Lenders' requirements and national legislation. All further land acquisition will be guided by the LALRP and this Detailed LRP.

This Detailed LRP covers the alternative livelihood options for the 369 affected households whose land was either permanently or temporarily acquired for all the components of the Shuakhevi Scheme during 2012-2013.

1.4 Efforts to Minimise Land Acquisition and Resettlement Impacts

One of the design principles implemented during the Feasibility Study in 2011-2012 was to minimise land acquisition and resettlement. For example the study limited the extent of the reservoir to avoid flooding villages. The Project has been designed to avoid physical displacement. Because of the geology of the Project area there have been design constraints which mean that economic displacement (loss of land) has not been avoidable.

2 Project Requirements

2.1 Overview

This section provides a summary of AGL's Policy reflecting the relevant legal framework in Georgia as well as international standards applicable to land acquisition and resettlement processes. AGL's policy compliance with the legislative and regulatory environment is discussed in section 2.3.

2.2 Lender Safeguard Requirements

Safeguards in relation to land acquisition and livelihood restoration requirements for the IFC, EBRD and ADB are presented in the following documents:

- IFC Performance Standard 5 – Land Acquisition and Involuntary Resettlement (IFC PS5, 2012)
- Land Acquisition, Involuntary Resettlement, and Economic Displacement”, Performance Requirement 5 (EBRD PR5, 2008)
- ADB's are presented in SPS (2009), Safeguard Requirement 2 – Involuntary Resettlement (ADB SR2).

The requirements of the three Lenders apply similar principles and restoration measures, thus the relevant aspects of the safeguards are summarised together. Key aspects of the Lenders' safeguards are important to note:

- A key objective is improving, or at a minimum restoring, the livelihoods and standards of living of displaced (physically or economically) persons to pre-project levels
- Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets
- Displaced persons may include owners or non-owner residents, and people occupying land without formal, traditional, or recognisable usage rights
- Livelihood restoration activities must be implemented with disclosure of information, consultation, and the informed participation of APs
- Special provisions must be made for individuals belonging to vulnerable groups to improve the standards of living of the displaced poor and other vulnerable groups
- Monitor and assess livelihood restoration outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the livelihood restoration plan have been achieved by taking into account the baseline conditions and the results of livelihood restoration monitoring, and disclose monitoring reports
- A specific Grievance Redress Mechanism or Procedure must be developed in order to receive and facilitate the resolution of AP's concerns
- Preparation of a plan for physical displacement (referred to as a RAP in this document) or economic displacement (referred to as LALRP in this document). The plan presents data from field surveys with AHs and to ensure that their pre-Project standard of living is at least restored.

2.3 National vs. International Requirements Gap Analysis

In Georgia APs are only entitled to payment in the exchange of land if they have registration of land ownership. However, under the IFC's, EBRD's and ADB's involuntary resettlement policies, APs are

entitled to some form of compensation whether or not they have registered title if they occupy or use the land up to a set cut-off date.

The IFC's performance standards, EBRD's performance requirements and ADB's safeguards on land acquisition and involuntary resettlement aim to (i) avoid involuntary resettlement wherever possible; (ii) minimise involuntary resettlement by exploring project and design alternatives; (iii) enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to the pre-project levels; and (iv) improve the standards of living of the displaced poor and other vulnerable groups.

In cases where APs have no ownership or tenure rights according to Georgian Law, the provisions of IFC PS5, EBRD PR5, and ADB SR2 apply in terms of their rights for compensation, consultation and grievance mechanisms. Where there is conflict between laws of Georgia and Lenders' policies, the latter must take precedence.

2.4 AGL's Resettlement and Livelihood Restoration Policy

AGL's project resettlement documents are developed with reference to Georgian Land Law and other relevant legislation. The Project's guiding principles for resettlement and livelihood restoration are as follows:

- Land acquisition and resettlement will be minimised or avoided where possible. Where resettlement is unavoidable, LALRP and Detailed LRP will be designed to minimise adverse impacts
- Land acquisition activities will be conceived and executed as sustainable development programmes.
- Sufficient investment resources will be provided to enable the APs to share in Project benefits
- Particular attention will be provided to women, the poor and the most vulnerable APs
- AGL will aim to achieve negotiated agreements on land acquisition with all APs with expropriation only being followed as a last resort where negotiation fails. Either way, all LAR activities will be documented in RAPs and LRPs
- All APs will be meaningfully consulted, including vulnerable groups, and have opportunities to participate in planning and implementing resettlement activities
- For the purpose of the project, all APs are considered to be 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
- The Project will compensate people whether or not they are the formal users if they have a legitimate claim to land, structures, crops or other assets
- The Project will establish a transparent and accessible grievance mechanism for APs to use throughout the process
- Livelihood restoration and resettlement activities will be monitored during Project implementation via internal monitoring and resettlement completion audits

This Detailed LRP will be disclosed on AGL and ADB websites, along with monitoring reports on livelihood restoration implementation and any additional land acquisition documents. Management of resettlement impacts and implementation of this Detailed LRP and other resettlement planning documents is being

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monitored by AGL and will be evaluated by an external party to ensure that APs' livelihoods and standards of living are at least restored and preferably improved. If there is additional land to be acquired, it will follow the LALRP and Detailed LRP process and the same principles will apply.

3 Focus Group Discussions

3.1 Overview

This section summarises the topics and concerns that were raised and discussed during the focus group discussions in order to identify the most appropriate livelihood restoration measures supported by the APs. The section also provides a summary of the CSR initiative and overlapping activities that will be incorporated into this Detailed LRP.

3.2 Focus Group Discussion Approach and Objectives

As per the Terms of Reference for this assignment, nine focus group discussion (FGDs) were organised in the affected villages – eight focus groups for individual villages and one combined for Chanchkhalo and Skhefela. Most of the focus groups were organised exclusively for the severely affected (people who lost over 50 percent of their land) and significantly affected (people that lost over 10 percent of their land). However, some focus groups invited affected people who lost less than 10 percent of the land to join the discussion and share their ideas.

The objectives of the FGDs were to obtain the viewpoints of APs on possible economic activities in the region and assess their skills and experience to recommend feasible alternatives to restore their livelihoods.

The focus groups were organised by AGL and took place in easily accessible village ‘hubs’ where APs from neighbouring villages were invited. These hubs included community centres, AGL’s office near Shuakhevi and town halls for in certain villages where the local Mayor offered their premises for the meetings.

Each focus group involved a number of set questions centred on topics covering previous economic activities, independent livelihood restoration activities including economic activities the affected people initiated without project support to restore their livelihood and feasible alternatives that could provide sustainable livelihood options for the affected people.

The focus groups lasted for approximately one hour with additional time for questions and queries at the end. The number of participants varied significantly from village to village, with Pachkha only having five participants to Diadakonidzeebi having over 20².

The Director for Land, Social and Environment from AGL performed the task of translation for the focus groups and explained the purpose of the meetings. Mott MacDonald directed and guided the conversation with the affected people as moderator and took notes for the meetings. Seven of the FGDs were also attended by the Social Policy Advisor of Clean Energy Invest³. The atmosphere during the focus groups was generally friendly and welcoming. The attendees in general understood the importance of the Project and wished to cooperate with AGL and their local officers.

² Please see Appendix A for the full list of meetings and participants.

³ The full list of participants and meetings is included in Appendix A.

Figure 3.1: FGDs with affected people in Diakonidzebi



Source: Mott MacDonald Limited

Figure 3.2: FGDs with affected people in Chanchkhalo, Shkefela



Source: Mott MacDonald Limited

Numerous complaints were received connected to the Project that could not be addressed during the focus group. These complaints were noted by the Land Officer, Information Officer and Community Officer who participated in the meetings. Most of the complaints were related to the impacts of construction (noise, dust, traffic) and other complaints included questions on valuation and compensation. The two officers will be responsible for responding to these comments according to the Project Grievance mechanism.

There was general confusion during the FGDs between Corporate Social Responsibility (CSR) activities and livelihood restoration activities, because some of the measures to facilitate employment for locals were included under the CSR activities⁴ and financed by the CSR budget. This confusion was further increased by mentioning 'social projects' such as scholarships, stipend, trainings, road works and water rehabilitation that are also included under CSR activities for the project. LRP activities are Lenders' requirement and are included in the loan agreement with special focus on APs, while CSR activities are activities benefiting the communities in the ACs regardless of them being affected by land acquisition. Discussion on the CSR activities was welcomed and proved to be useful as the Social Policy Advisor from Clean Energy Invest was present and could respond to questions and make note of the requests of locals.

3.3 Activities under CSR Initiatives

FDGs provided information on the CSR activities provided by AGL and whether attendees considered these activities to be a success. AGL has been active in providing the community with opportunities to enhance their living standards and improve general infrastructure by creating a CSR initiative. Part of these activities is under the 'restoration' obligations such as roads, bridge restoration and provision of vocational training on these activities. These activities are undertaken in cooperation with the local Municipality

⁴ There is no CSR plan prepared for CSR activities and they are generally being carried out on an ad hoc basis.

council. CSR activities do not form part of the Detailed LRP, however, there are overlaps and APs tend to be confused about LRP activities to CSR initiatives. This section provides a description of previous CSR activities for information only.

As part of the CSR initiative AGL has provided training on financial management for affected people in order to efficiently manage their compensation payments. Other training included a course on basic construction work that was attended by 614 people out of which 132 are now employed, 41 people by AGL and 91 people by AGE.

Refurbishment of the training centre building and some schools in the area are also currently being undertaken, improving the conditions for schoolchildren by providing a safe place for sports activities, changing facilities and improved sanitation. Various other options being considered as part of the CSR is the inclusion of a road traffic safety NGO and medical provision and assistance for persons in the valley with ailments such as poor vision or the further improvement of community roads to safer passage for public vehicles. Road safety is a key issue not only for the locals but also for project staff.

Social projects under the CSR initiative include:

- Employment – Both as CSR and a livelihood restoration measure under the LALRP and this DLRP. AGL engages local people as Traffic Safety Wardens who are stationed in the main village areas at Kichauri, Shuakhevi, Khulo, Didachara and Paksazeebi with the responsibility to assist with traffic control and separation of the public from construction vehicles. Out of 400 local people employed, 100 are from those households affected by land acquisition for the Project.
- Scholarship – Funding of university scholarships for students from the Khulo and Shuakhevi municipalities.
- Stipend – AGL provides a stipend for books or extra-curricular activities that is provided to the public schools in the directly affected villages. This will be spent at the discretion of the local community.
- Other activities – These are being developed as ad hoc projects suggested by locals such as Didachara gymnasium repairs, provision of school bus during construction traffic in Akhaldaba and the refurbishment of the Chirukhistkhali area bridge. Some of these activities are already ongoing, while other will be included in a combined CSR and LRP database (see section 5.12) that will follow requests for activities and schedules for completion. Since October 2014 AGL has provided a school bus during construction traffic in Diakonidzeebi and the village Akhaldaba.

Activities under the CSR initiative are very positively received by all affected villages⁵. AGL will undertake further needs assessment in order to identify further CSR projects that can be implemented. This needs assessment will be informed by this Detailed LRP to find synergies and harmonise activities.

3.4 Overview of Viewpoints Expressed in Focus Group Discussions

During the FDGs attendees stated that they were satisfied with the employment opportunities that had been offered by AGL, although it was noted that there are more people who would like to be employed by

⁵ Activities related to stipends and scholarships have not started yet, although information dissemination activities are planned to start before the end of 2014.

the company. Employment with AGL provides multiple benefits for participating people including a stable income – even though it is only short term – and provides local community members with the opportunity to learn about work culture and gain work experience. However, as the work contracts are usually short term (one or two years), it is not a sustainable livelihood restoration measure and cannot be continued after the construction period.

Training in financial management was not mentioned by the participants of the focus groups when asked about possible livelihood restoration activities. However it is a key focus for AGL because it is a more sustainable livelihood restoration option for APs. Some sessions have already been held in ACs and in order to make sure that any further compensation payments are managed effectively, it has been recommended that the training is repeated and additional modules on savings and financial management will be incorporated.

Most of the APs could only enrol in a course on basic construction works. This is due to the lack of other work experience and qualification that would meet the entry requirements for the other courses. FDG attendees stated that receiving skill development for free was positive. However many also expressed their disappointment that training did not lead to employment opportunities. There are not many alternative opportunities for employment within the region and people did not express the desire to commute to Batumi or other bigger villages to work in manufacturing, services or any other sectors.

Some of the proposed road rehabilitation works have started. In general, APs were very positive about the enhancements in the infrastructure resulting from the project. Currently, roads that are necessary for the CP are in better condition when compared to other roads. However, the project will refurbish and build additional roads that are not primarily for construction traffic.

There were some participants at the FGDs who stated that they had used the compensation payment to invest in other activities. It was reported that some people had bought land closer to Batumi and now commute or have moved there to continue their agricultural activities. Other APs invested in apartments in Batumi that are rented out. The question of apartment was discussed many times, as the Government owes some of the APs apartments in Batumi as compensation for previous activities in the region. These apartments are still under construction, although many of the locals did not believe that this obligation will ever be fulfilled.

There was one respondent who bought a minibus and is now a private operator transporting locals to other villages and Batumi, while another respondent admitted considering beekeeping as an option regardless of LRP activities. There are reports of APs who started their own small businesses in construction or invested in a truck to transport fruit and vegetables to Batumi from the neighbouring villages.

3.5 Outcome of FGDs

The FGDs were very successful in understanding the needs and concerns of the APs. As an overall conclusion, the FGDs identified that the APs do not want to diversify or at least completely change their livelihoods and would still like to be primarily engaged in agricultural production and livestock rearing. In

general APs wanted to continue to work as self-employed farmers and supply their produce to markets and companies. Agricultural activities such as bilberry, nut production and beekeeping were prioritised by APs.

Activities suggested during FGDs are summarised in Table 3.1. More information on the feasibility and details of these activities is included in section 4.5.

Table 3.1: Activities suggested by villagers

| Sector | Activity | Supporting village |
|---|--|--|
| Agricultural activities | Bilberry production | Pachkha, Diakonidzebi, Didadzara, Akhaldaba, Makhalakidzebi |
| | Nut production | Pachkha, Didadzara, Akhaldaba, Makhalakidzebi |
| | Animal rearing | Didadzara, Akhaldaba, Chanchkhala, Skhefela, Makhalakidzebi |
| | Beekeeping | Tsablana, Diakonidzebi, Didadzara, Akhaldaba, Makhalakidzebi |
| | Fish farming | Tsablana, Pachkha, Kvatia |
| Construction of manufacturing facilities and services | Dairy production facility | Pachkha, Diakonidzebi, Didadzara |
| | Fruit juice production facility | Tsablana, Pachkha, Diakonidzebi, Didadzara, Kvatia |
| | Slaughter house | Tsablana, Pachkha, Didadzara |
| | Factory to produce potato chips | Tsablana, |
| | Tobacco factory | Kvatia |
| SME activities | Low rate credit for business development | Tsablana |
| Employment | Employment with AGL | Diakonidzebi, Kvatia, Chanchkhala, Skhefela |

When asked about business opportunities and cooperatives, APs shared mixed views. APs might be more supportive if such activities are supported by the Government or other organisation. The continuation of previous activities is a realistic option for APs whose land was acquired for spoil areas and temporary structures⁶. When beekeeping and fish farming were offered as options, most of the villages agreed that while beekeeping seems to be a good idea, fish farming was only supported by one or two villages. Many villagers still proposed agricultural activities as alternative livelihood options, despite losing significant proportion of the land previously used for agricultural production.

Employment with AGL and employment in general was a key topic all the participating villages felt strongly about. To date AGL employs over 80 people as street marshals, 12 of them are from the affected villages. AGL also employs two drivers and 10-15 affected people are employed in administration. Other employment opportunities include positions related to construction, driving and security services.

⁶ It is estimated that a little over 100,000 m2 of the acquired land will be re-cultivated and returned to the APs.

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Contracts with AGL are for one year with the possibility of extension for another year. According to the latest data 404 Georgians are employed by the main contractor, AGE. Of these, 387 people are from Khulo and Shuakhevi municipalities where the project is currently under construction. During the implementation of social infrastructure projects, AGL and AGE employed local people in the villages. Employment on the Project is included as a priority in the Corrective Action Plan for the LALRP, thus it is important to include measures to facilitate it through this Detailed LRP. However this means a small number of short term employees.

The implementation of CSR initiative including scholarship and stipend activities was discussed by AGL during the FGDs and it will start in January 2015 supported by the Ministry of Education. More information is provided in Appendix D.

The short-term approach was prevalent in the thinking of locals even when alternative agricultural products were discussed. In one of the FGDs a participant suggested that even the new livelihood restoration measures will be of little help as the bilberry trees would only start producing the fruit two to three years after planting the tree.

There is a very limited understanding that AGL will not provide constant support and further monetary compensation for the land acquired, furthermore, that the Project will have long term impacts on lifestyle especially for those whose land was permanently acquired. AGL's dedication to mitigate negative impacts, implement CSR and LRP activities and provide sufficient budget is perceived by people as a continuous support and there is no sense of urgency to make decisions on livelihoods. For this reason eligibility criteria and cut-off date for eligibility is clearly defined in section 4.2.

The village Tsaqlana expressed their concerns about being prioritised for LRP activities. APs in this village feel that the compensation paid to affected households is a Project benefit and puts them in a better position when compared with other APs who lost less land and thus received less compensation. The general perception of APs is that the Project brings them benefits already – through the CSR initiative – and thus these additional measures to restore livelihoods will be equally available for everybody.

4 Livelihood Restoration

4.1 Overview

This section will detail the requirements and criteria for eligibility and provide an overview of entitlement measures. It is the requirement of the Lenders to clearly define what livelihood restoration measures will be provided. This Detailed LRP is primarily targeted at APs involved in land acquisition and does not cover affected villages and communities who are impacted by construction and other non-land acquisition aspects of the Project.

While most of the land was acquired in 2013 and proportion of the compensation received in tranches, the APs still do not feel any urgency to finding alternative livelihood options or other employment to sustain their previous lifestyle. Although, they officially do not have access to their land any more, there are no fences or physical barriers to stop them from planting or harvesting from land plots that have no permanent structure on them.

4.2 Eligibility

Under Georgian Law only registered owners are entitled to compensation 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 non-registered land and property owners and users equally. Provided that the owner and user can prove through testimonies from neighbours and local officials that the asset is theirs. This means that all of the people affected by land acquisition are eligible to participate in livelihood restoration activities. APs whose land was acquired are eligible for LRP activities and entitlement measures under this Detailed LRP. Eligibility will be verified by census data of all APs collected for the LALRP. The Project has identified people as severely affected (APs who lost over 50 percent of their land) and significantly affected (APs that have lost between 10 and 50 percent of their land) by land acquisition. Eligibility is extended to each member of the AH, so they can all participate in the LRP activities. These APs will be prioritised for all livelihood restoration activities.

To summarise, the Project eligible APs include:

- AHs with registered title or who have customary deed or traditional land rights as vouched for 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
- APs losing business, income, and salaries because of the Project land and asset acquisition

Table 4.1 overleaf summarises eligibility and entitlement measures based on the category of APs.

4.3 Cut-off Date for Eligibility

The cut-off date for eligibility is defined in the LALRP, thus APs affected by land acquisition are all eligible to participate in livelihood restoration activities. In case further land acquisition is required, the eligibility and the cut-off date for eligibility will be revisited by AGL based on principles defined in the LALRP.

4.4 Entitlements

There will not be any monetary compensation paid as part of the livelihood restoration activities specified in this plan. Compensation payments for the acquired land and lost crops are guided by the LALRP and the Options Contracts⁷, and are not in the scope of the Detailed LRP. APs can choose from the different options discussed in detail in section 4.5.1. The livelihood restoration options provide a wide variety of activities that can restore livelihoods for the short term and long term, especially for people whose land has been permanently acquired. There is currently limited information on land return, so for the purpose of this Detailed LRP, long term livelihood restoration options have been prioritised⁸. Eligibility and entitlement measures are summarised in Table 4.1.

APs that have lost more than 10 percent of their land will be prioritised for all activities included in this Detailed LRP. APs will not be obliged to participate in LRP activities, however, agreeing to take part means that APs accept their priority status according to the proportion of land acquired. Priority APs are the target group for all activities and their needs and opinions will influence decisions on types of training, timing and location of the course. Limited access for APs who have lost less than 10 percent of their land means that they can enrol to the joint agricultural and livestock programme by the Ministry of Agriculture and UNDP (details on cooperation is included in section 5.3), however, they will have limited opportunities in SME support and additional training. If there are open places to enrol to other activities, once all of the severely and significantly affected people have been enrolled then members of this group can apply.

Table 4.1: Eligibility and Entitlement measures

| Group | Entitlements measures under LALRP | Entitlement measures under Detailed LRP | Comments |
|--|--|---|---|
| Severely affected people (over 50 percent of land lost) | Cash compensation for land and trees, training and employment with AGL | Agricultural activities, manufacturing and services, training activities, assistance with small and medium-sized enterprises (SME) initiative, priority employment opportunities with AGL | Priority access to all LRP options |
| Significantly affected people (over 10 percent of land lost) | Cash compensation for land and trees, training and employment with AGL | Agricultural activities, manufacturing and services, training activities, assistance with SME initiative, priority employment opportunities with AGL | Priority access to all LRP options |
| Other affected people (less than 10 percent of land lost) | Cash compensation for land and trees, training | Agricultural activities, manufacturing and services | Limited access to LRP options |
| Affected businesses | Cash compensation for lost income and sales | Business are not eligible, but employees and owners if affected by land acquisition are eligible | Access according to proportion of lost land |

⁷ AGL has signed Options Contract with AHs in order to agree on the terms and conditions of land acquisition and compensation for lost crops and livelihoods.

⁸ AGL considers that land acquired for spoil areas and temporary structures will be re-cultivated and return to the APs and affected communities. Details on the amount of land to be returned has not been decided. Recommendations on land return are included in section 4.5. **Error! Reference source not found.**

| Group | Entitlements measures under LALRP | Entitlement measures under Detailed LRP based on the proportion of land acquired | Comments |
|-------|-----------------------------------|---|----------|
|-------|-----------------------------------|---|----------|

4.5 Planned Livelihood Restoration Activities

There is a possibility that land will be reallocated and returned after the CP if there is no permanent structure on the land plot. This includes spoil areas and land allocated for workers camps and other temporary structures. The actual amount to be returned can only be estimated at this stage at around 100,000 m². AGL will undertake the necessary steps to provide accurate information for the APs in advance according to the Stakeholder Engagement Plan (SEP) on any planned land reallocation. AGL plans to recultivate the land and in agreement with the village community leaders, Mayors and members of the community will decide on reallocation. AGL will set up meetings with the villages to discuss terms and conditions of land reallocation, however, AGL will retain the legal status of the land. The details of land use will be decided by the Mayor, community leaders and the APs after AGL recultivated the land.

In order to facilitate land reallocation, AGL will undertake the following:

- Identify land to be returned with exact area or land plot parameters
- Officially announce to the APs and local government in the village where the land plot belonged to before
- Engage with APs and local government in order to discuss the details of re-allocation. This should be informed by the SEP
- Publicly announce of the schedule of re-cultivation and availability
- Consult on fair reallocation of land for heavily affected villages where less land or no land will be reallocated
- Publicly confirm that land with permanent structures such as dam sites and buffer zones will not be returned
- For land parcels which need to be kept as open areas such as those in riverbanks and other places as deemed necessary for the operation of the Project, publicly confirm and sign an agreement with the representatives of the communities that no permanent or temporary structures or any fixed assets will be set up on recultivated lands
- Agricultural activities under the LRP will be planned in order to reflect the current land size. LRP activities should primarily be tailored current land size for all APs, excluding the possibility of land return as default
- Re-cultivation of the returned land provided by AGL and the land made accessible via access roads, either gravel or concrete
- Other alternative solutions will be considered and discussed with APs.

AGL will provide maps of spoil areas and land acquired for temporary structures to identify the exact land plots that will be reallocated. All the land plots are within one to three kilometres from the villages. The reallocation of land will benefit the community as the land will serve as grazing or agricultural land, and will be of improved quality due to the recultivation. The first spoil areas will most likely be ready for reallocation in March 2015 near Didadzaara.

Table 4.2: List of Potential Land Plots to be Recultivated and Returned and the Estimated Timeline

| Location | Purpose for Which Land was Acquired | Total Land Area | Estimated Land Area to be Recultivated and/or Returned | Estimated Timing of Return |
|---------------|-------------------------------------|---|--|---|
| Akhaldaba | 120m access road on private land | 136,143 m ² | 136,143 m ² of recultivated land | Access is allowed during construction but AGL retain access |
| Chankhalo | Tunnel portal works | 11,377 m ² | 11,477 m ² of recultivated land | November 2016 |
| Vashlovani | Spoil area | 36,070 m ² of poor quality land | 36,070 m ² of recultivated land | October 2016 |
| Makalakazeebi | Camp and spoil disposal | 20,620 m ² of poor quality land | 20,620 m ² of recultivated land | Camp – September 2016 Spoil area – August 2016 |
| Diakonidze | Tunnel portal and spoil disposal | 20,715 m ² of poor quality land | 20,715 m ² of recultivated land | October 2016 Spoil area – August 2016 |
| Didachara | Camp and spoil disposal | 21,302 m ² of previously unusable land | 21,302 m ² of recultivated land | Spoil area – August 2015 Camp area – December 2016 |
| Skhalta | Camp and spoil disposal | 38,353 m ² reasonable quality grazing land | 38,353 m ² recultivated land | Spoil area – November 2016 Camp – December 2016 |
| Zamleti | Spoil disposal | 20,639 m ² previously unusable land | 20,639 m ² of cultivated land | September 2016 |
| Kichauri Camp | Camp | 42,538 m ² of previously unusable land | 42,538 m ² of recultivated land | 2018 as this area will be used for Koromkheti Scheme |

Each plot will be assessed depending on the need of the Project, the final land area which will be recultivated and can be returned, the detailed steps for return and recultivation and the final timing of return and recultivation will be reported in subsequent semi-annual monitoring reports prepared by AGL.

4.5.1 Alternative Livelihood Options

Timing is a key concern for livelihood restoration measures due to the seasonal nature of the proposed activities. Most of the alternative options require at least 12 months until they are fully operational or productive, thus the implementation of the alternative proposed activities from this DLRP should start as soon as possible. A detailed timetable is proposed under section 5.11.

The compensation received under the LALARP for the land and crops is currently being paid out to APs in trenches over a five year period. Despite the training and other precautions, many of the affected people have already spent a large proportion of the compensation payment and do not understand that no more compensation will be paid for the land and crops already acquired. In order to harmonise alternative livelihood options with this five year timeframe, some activities should start as early as possible.

All the alternative livelihood options suggested during the FGDs were discussed with AGL and the Social Policy Advisor of Clean Energy Invest to assess feasibility of each option and get internal support for the activities. The need to provide sufficient training for each of the activities were identified during the FGDs (summarised in Table 4.4) in order to make the most of the remaining land plots that will be used for crop production and grazing. The alternative livelihood options can be grouped into four categories:

- Agricultural activities
- Manufacturing and services
- SME and business activities
- Employment with AGL

Agricultural activities and small scale farming were very much supported by the locals. Although, they suggested attracting private investors to enhance manufacturing and services activities, after discussions with AGL it was established that these activities are not feasible under the Detailed LRP. Small business activities will be encouraged in collaboration with the Ministry of Agriculture who have a working programme successfully implemented in other parts of the Autonomous Republic of Adjara. More information on the Ministry of Agriculture and its programme can be found in section 5.3.

Activities identified as livelihood restoration options are discussed in Table 4.3 below.

Table 4.3: Alternative livelihood options

| Sector | Activity | Details of activity facilitated by AGL | Comments, notes |
|-------------------------|---|--|---|
| Agricultural activities | Bilberry production | Training on efficient techniques of production | The aim is for the APs to plant bilberry trees and other fruit trees and create a better market for this product |
| | Nut production | Training on efficient techniques of production | Walnut is especially popular and expensive in the region, peanut production was also supported |
| | Diversification of animal rearing – including cow rearing and poultry | Training on efficient techniques of cow rearing and health and safety ⁹ | Rearing more cows was mentioned in all villages, poultry was not supported in many villages as they say it requires too much water which they do not have |
| | Beekeeping | Training on beekeeping practices, health and safety | A quota should be introduced to avoid oversupply of honey, protective equipment and training on health and safety should also be provided |
| | Fish farming | Training on efficient fish farming techniques, training on modern | Alternative modern technologies should be identified in order to support his |

⁹ Cows are currently wandering around on the roads without supervision causing disruptions in traffic and accidents

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| Sector | Activity | Details of activity facilitated by AGL | Comments, notes |
|----------------|--|--|---|
| | | equipment that could be introduced | activity. Concerns were raised by villages about water quality and quantity |
| SME activities | Low rate credit for business development | Working with the Ministry of Agriculture and UNDP to facilitate the building of SMEs in the region | The current Ministry programme on the facilitation of cooperatives provides easier access to low rate credit |
| | Trading fairs | AGL, the Ministry of Agriculture and UNDP to work on organising trading fairs, or inviting farmers to fairs in Batumi in order to assist local farmers to enter the markets and introduce them to companies who might buy their products | It is not the sole responsibility of AGL to research and/or organise such fairs, it should be a joint effort with the Ministry of Agriculture and UNDP. |
| Employment | Employment with AGL | Diversifying employment opportunities with AGL and set up a rotation system that allows more APs to be employed during the CP | As a short term solution only during CP |

4.6 Limitations to Livelihood Restoration

Manufacturing and services activities are outside of the area of influence for AGL or for the Project, as external companies would need to be invited to invest in the area that has a long history of poverty and unemployment. Activities specific to agricultural practices before land acquisition such as a potato chips factory and fruit juice factory may be options in the long term. However, it is not be the responsibility of AGL to try and attract investors into the region.

The idea of constructing a slaughter house was supported by approximately half of the villages. However, not primarily for employment purposes, but mainly to make it more convenient to sell the meat locally. In order to facilitate trading in cows, AGL should seek advice and support from the Ministry of Agriculture on slaughter houses in the region and it should be joint effort to build relationships between the farmers and the buyers (more on this cooperation is included in section 5.3). It must be noted that livestock rearing practices should be improved in the region, as it seems inefficient and dangerous to keep animals free out on the roads and close to the rivers. It proves to be dangerous to the traffic and there is a risk of losing livestock.

Cow rearing was often mentioned during the FGDs despite it being rather costly to raise a calf compared to other smaller animals that required less food and attention such as poultry. The key concern regarding the diversification of livestock was the lack of water that is needed for the animals and there is shortage of clean water in the villages. There might be opportunities to introduce additional livestock provided that training on animal husbandry, health and safety are available for the APs. AGL will not be responsible for the purchase of the livestock; AGL's area of influence only covers provision of training to facilitate livestock rearing activities and publicise safe practices for such activities.

Fish farming was only supported by a few participating villages, some of whom are engaged in this activity already. It should be noted that fish farming activities are developed mostly in Keda Municipality where around 36 small farms operate, thus it might not be a priority option for most of the affected villages.

4.7 Training

The FGDs identified mixed feelings about training from the participants, especially because of previous experience where participants believed that enrolment in employment training would lead to automatic employment, which turned out not to be the case. Efforts to publicise new training could meet resistance, as a large proportion of APs have been engaged in agricultural production and livestock rearing for generations. However, AGL will provide training as the main form of livelihood restoration assistance, as these activities have not been professionalised in the area and AGL considers that APs require training and guidance on application of modern technology and diversified crops appropriate to circumstances in the area in order to regain, or improve their livelihoods.

The provision of training on the different LRP activities and health and safety was identified as a key priority by AGL. The list of suggested trainings is included in Table 4.4.

Table 4.4: Suggested Training for APs

| Training | Details |
|--|---|
| Training on agricultural production | Technical advice on the type of crops that are most relevant to the climate, soil quality; training on modern technology that can be introduced to cultivate land more efficiently. Advice on harvesting and planting timetables. Specialised training on nut and bilberry production |
| Training on livestock rearing | Efficient livestock rearing methods including any technological developments that can be incorporated into current animal rearing activities. Health and safety training to improve on current dangerous practices. Training on rearing different types of livestock |
| Training on beekeeping including health and safety | Training on building hives and technological advancement that enables larger scale beekeeping. Training on health and safety – both for the owner of the hive and for the community, including medical training on how to treat bee stings. Provision of subsidised Personal Protective Equipment (PPE) for APs who decide to participate in beekeeping |
| Training on fish farming | Training on efficient farming of river fish, introduction of different technology in order to work efficiently with limited water resources. Training on different species that respond well in the current environment |
| Training on traffic safety for Street Marshals | Additional modules on traffic safety focusing on management of construction traffic and road safety, safety of pedestrians and management of local car traffic. Refresher courses on roles and responsibilities for Street Marshals and tasks during service |
| Business management and financial training | In cooperation with the Ministry of Agriculture and UNDP identify the needs of locals and provide additional training on SME management that are not covered under the technical support of the Ministry or UNDP Continue financial training that was previously given as part of CSR activities on efficient use of compensation money and income from agricultural activities Training on basic financial literacy for loans and other financial products that might be |

| Training | Details |
|--|--|
| | required for other livelihood restoration activities |
| Additional training needs to be identified | Training to facilitate employment with AGL |

The list in Table 4.4 includes the details of all trainings that are relevant to the livelihood restoration activities, though the provision of training will be harmonised with the key activities selected by the APs.

4.8 Health and safety

Raising awareness of health and safety issues including traffic and road safety and current hazardous involved in livestock rearing activities will be prioritised. Training will be designed to provide information on safe practices and make the locals aware of the risks and dangers. The consultant also recommends that AGL circulate flyers and brochures on safe livestock rearing practise, safe traffic and transportation. Awareness in the area is also advisable especially along the main road to Batumi where traffic has increased as a result of the project. Increased health and safety will result in a decrease in losses of livestock and produce. Although, to date there have been no serious incidents, the hazard is present on a daily basis.

5 Implementation of the Detailed LRP

5.1 Overview

This section identified the roles and responsibilities of the key actors who will facilitate the implementation of the Detailed LRP. The timescale of the document, budgetary requirements and information on grievance mechanism, monitoring and reporting requirements are also discussed in this section.

5.2 Responsibilities, Institutional Framework

To implement the Detailed LRP a variety of role players from the government, civil society and private sector will be involved. AGL places great emphasis on their employees to inform people locally about the Project and livelihood restoration activities. This means of communication is efficient and through personal contacts and meetings with AHs, AGL receives instant feedback on plan and activities. In addition, AGL encourages AHs to visit its office or call its local staff directly (mobile phone numbers for the Project team have been distributed throughout the Project area). AGL has participated in TV debates, TV interviews, and seminars in order to inform stakeholders and APs about the Project. A range of stakeholders in addition to AHs are being consulted including:

- Municipality authorities
- Community leaders
- The Chairman of the Board of the Autonomous Republic of Adjara and the Ministry of Economy in Adjara
- Ministry of Agriculture
- UNDP
- Private sector
- Education and training centres

AGL, as the Project Proponent, has overall responsibility for the Project including for the preparation, implementation and financing of LRP tasks. AGL has established a land acquisition and resettlement (LAR) Team for this Project that manages LAR tasks and will also manage LRP tasks and administers and documents this Detailed LRP. The LAR Team works in the field to consult and coordinate with APs, resettlement stakeholders, contracted service providers, and partners. Its main tasks include carrying out the field surveys, compiling and negotiating entitlement packages, and helping APs wishing to use the grievance redress mechanism.

For the recultivation and return of land, the LAR Team will work with the following stakeholders:

- UNDP
- Autonomous Republic of Adjara
- Ministry of Environment

The full list of stakeholders will be finalised upon the commencement of recultivation activities.

5.3 Cooperation with Ministry of Agriculture and UNDP

AGL and the consultant organised a meeting on 10 October, 2014, with the Ministry of Agriculture in Batumi¹⁰ to find out about projects and programs organised in the region. The meeting also provided a professional opinion on challenges in agricultural production for farmers in the affected areas. The Head of Agricultural Development Department informed the Project team about a successful business development initiative that is currently ongoing in five other areas of the country. The plan is to transfer this initiative to the Shuakhevi and Khulo municipalities. The Program aims to provide technical, market and financial support for local farmers who decide to set up their own cooperatives.

The villages and communities nominate their own chosen leader who gets financial and business management training supported by the Ministry. Technical experts visit the new cooperative and advise and provide training on modern technology or more efficient production methods. Advice on different crops and seeds are also provided by the experts to maximise crop volumes. The Ministry also provides support in trading of the commodities, connecting the supply and demand side by being in contact with companies who are looking to buy the specific crops and produce from local farmers. This full package provides the technical and business support needed by the cooperative, with a focus on continuous monitoring and support for the first few years, to help cooperatives survive the first six months, which is considered to be a critical period.

When asked about the possible livelihood restoration for the Project APs the Head of Agricultural Development Department stated that other successful projects in similar regions include growing clementine and other citrus species, walnuts and bilberry. He discussed the possibility of fish farming and provided an example from Kheda where the Ministry works with the biggest fish farm in the region.

Beekeeping is fully supported by the Ministry because the weather conditions in the area are favourable. The Ministry work with two local municipalities in introducing more hives to the region. The Ministry's plans include financing a laboratory for honey in Batumi that would provide official certificates enabling honey to be traded in other regions of Georgia and on international markets.

In order to support the cooperatives the Ministry has set up two Project Development Agencies and works with the National Bank of Georgia and to provide low rate credit lines for businesses. If the Bank approves a proposal then they offer a loan with 13 percent interest rates, which is subsidised by the Ministry, so the final interest rate is as low as 3 percent. Inviting farmers who successfully participated in the programme to present their business model and their story to APs would provide synergies and demonstrate the effectiveness of the program. The Head of Agricultural Development Department ensured the team of their intention to cooperate and AGL will follow up with the Ministry to start programs in Shuakhevi and Khulo municipalities.

UNDP has started a similar programme in the region which operates more like a business incubator, providing similar services to the Ministry's initiative. The programme has worked with the Government of

¹⁰ See Appendix A for the full list of meetings and participants.

Romania and the Government of the Adjara Autonomous Republic since 2009¹¹ to boost economic development in the region and assist small and medium businesses throughout the most vulnerable cycle of their development. The programme provides support in setting realistic goals and putting together a business plan and help in the initial year of the business to grow and strengthen its position on the market. This programme is the first of its kind in Georgia and so far has been running successfully in the Adjara area especially in Batumi. AGL had consultation with UNDP Batumi in 2013 and UNDP welcomed the initiative as well. UNDP has extensive experience in implementing joint projects with local communities as well as with the local authorities in the agricultural field.

The programmes offered by UNDP and the Ministry of Agriculture provide an excellent opportunity for AGL to seek synergies and harmonise LRP activities with the programmes. AGL has committed to coordinate efforts and invite UNDP and the Ministry to work in the Shuakhevi and Khulo municipalities. Details of this cooperation will be discussed between AGL, UNDP and the Ministry of Agriculture.

5.4 Non-Government Organisations

NGOs have been key players in the implementation of CSR activities especially through providing training and capacity building for APs. Regional NGOs involved in agricultural production introduced programmes similar to those provided by the Ministry of Agriculture and UNDP. For Project purposes AGL will attempt to integrate APs into the Government programmes as a priority. AGL will coordinate with programmes run by NGOs, however UNDP and the Ministry of Agriculture and using their tested systems that require less effort and resources.

NGOs will continue to play key roles in some of the CSR activities, especially in water rehabilitation, thus once AGL has identified relevant NGOs in the region, cooperation will be sought to support the implementation of this Detailed LRP.

5.5 Batumi Business Incubator

The Batumi Business Incubator (BBI) was contracted by AGL in 2013 to provide financial management and basic financial literacy training for the APs in order to safely manage their compensation payments. As some of the training and alternative livelihood options identified as part of this Detailed LRP involve training on financial literacy and financial products supplied by commercial banks, such as low interest credit for SMEs, it is advised to keep BBI involved in the future. AGL has stated that BBI managed to engage well with locals and provided high quality training, even though some APs still decided to avoid taking its expert advice.

¹¹ <http://www.ge.undp.org/content/georgia/en/home/ourwork/povertyreduction/successstories/building-better-future--business-incubator-in-batumi/>

<http://web.undp.org/comtoolkit/success-stories/EUROPE-Georgia-povred.shtml>

5.6 Stakeholder Engagement Plan (SEP)

The Stakeholder Engagement Plan (SEP) of 2013 forms part of the suite of ESIA documents. The SEP along with the LALRP and other project documents help to form the main Project control documents. The purpose of the SEP is to enhance stakeholder engagement throughout the life cycle of the project particularly prior to and during the construction and operation of the Adjaristsqali Hydropower Project; and, to carry out stakeholder engagement in line with national laws and international best practice such as the requirements of the IFC, the EBRD and the ADB. Stakeholder engagement for this Detailed LRP is guided by the SEP, so please refer to this document for details on information disclosure, consultation and participation.

5.7 Grievance Mechanism

A grievance mechanism is already set up for this Project and will address complaints received as a result of the implementation of this Detailed LRP. For further information on the grievance mechanism please refer to the LALRP where detailed information on the recording and resolution processes is included.

5.8 Monitoring and Evaluation

Monitoring, evaluation and reporting are key components of the resettlement and compensation program. Activities of the Detailed LRP are subjected to both internal and external monitoring. Internal monitoring is conducted by the AGL, assisted as necessary by the project supervision consultant, as well as by APs as appropriate. External monitoring has been assigned to Arup, an independent organisation with expertise in social aspects, resettlement and compensation issues and with the resettlement requirements of Georgian Law and the Lender requirement for instance the Lenders' engineer. Monitoring and evaluation activities related to livelihood restoration are guided by principles included in the LALRP; refer to this document for further details.

The ADB SPS required that AGL improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. At the end of the implementation period of the DLRP a post-evaluation socio-economic survey will be conducted by AGL to determine whether this target has been met.

5.9 Budget for Implementation

AGL has participated in meetings with the Ministry of Agriculture and UNDP to get a better understanding of the budget requirements of the agricultural activities identified as LRP measures. The Ministry of Agriculture and UNDP has been successfully implementing comparable projects in the area and in other parts of Georgia, thus the estimates serve as a reliable indicator to inform AGL's LRP budget. AGL, through its regular liaisons with government bodies and NGOs will continue to remain in close contact to ensure that ideas and decisions are pertinent with the needs of the communities.

Based on the estimates AGL is ready to allocate a tentative figure of 100,000 GEL per year for the implementation of this Detailed LRP. This figure is tentative, AGL retains flexibility in order to remain in touch with the changing needs of the community based on success of ongoing projects. AGL prepared an itemised tentative budget for the implementation period until the end of 2017.

5.10 Timeline for Implementation Process

The lifespan of this Detailed LRP is four years starting from approval by lenders in December 2014. Capacity building and livelihood restoration assistance services will focus on the first two years of the implementation period with the objective of restoring livelihoods of vulnerable APs to at least national minimum standards until the end of 2017. However, activities under the CSR initiative including the scholarships will continue beyond 2016. Under the loan agreement with the Lenders, AGL is obliged to offer adequate livelihood restoration options for APs. All activities are offered on a voluntary basis for a limited amount of time or until the target to restore the status of vulnerable APs to at least national minimum living standards is met. Although, some of the livelihood restoration measures – training and employment with AGL – have started already, monitoring is required for these activities as per the LALRP.

Livelihood restoration activities should be harmonised with CSR initiatives and Municipality programmes in order to maximum Project benefits. In cases where there are disruptions in the implementation process or the CP is delayed, the lifespan of the plan should be revised to reflect the changes in the project itself.

5.11 Timetable for Proposed Activities

Livelihood restoration activities will be harmonised with other initiatives under the CSR activities. Table 5.1 is an indicative timetable summarising the activities to be undertaken as part of the Detailed LRP.

Table 5.1: Timetable for proposed livelihood restoration measures

| Sector | Activities | Scheduling | Comments |
|----------------------------|---|---|---|
| Agricultural activities | Provision of at least 3 training sessions per agricultural activity by the end of 2016 Support in acquiring seeds and equipment needed to carry out production | Start training and planning from January 2015 so activities can start during spring 2015 | Training will be repeated in spring 2016 AGL will work closely with the Ministry of Agriculture |
| Manufacturing and Services | Documentation of dialogue with private sector companies to invest in the region | From December 2014 until end of 2016 | AGL will approach the Ministry of Agriculture and UNDP to jointly identify private sector actors who might be interested in investing in the region |
| Training activities | Training needs will be identified and at least 3 training per agricultural activity will be provided by the end of 2016 Training on SME development and small business management will | In line with agricultural activities starting from January 2015 ongoing until the end of 2016 | |

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| Sector | Activities | Scheduling | Comments |
|--|--|--|--|
| | be provided in collaboration with the Ministry of Agriculture and UNDP | | |
| Cooperation with Ministry of Agriculture | Minutes of meetings and documentation of cooperation agreement | From December 2014 ongoing | Ministry to share lessons learnt and success stories from other parts of Georgia, discuss opportunities for synergies and start planning for 2015 |
| Cooperation with UNDP | Minutes of meetings and documentation of cooperation agreement | From December 2014 ongoing | Discuss opportunities for synergies and start planning for 2015 |
| University scholarships for 24 students | Reports on applicants and their grades at the end of the academic year | From December 2014 until end of academic year 2018/2019 (total of three years) | Inform school headmasters about application process and requirements/qualifications of applicants, provide support with application processes and choose first group of students by June 2015, so they can start university in September 2015 AGL will continue cooperation with the Ministry of Education and the local municipality |
| Stipend | Reports on projects, budget and implementation | From December 2014 ongoing until project ends | AGL will continue cooperation with the Ministry of Education and the local municipality |
| SMEs, business initiative | Documentation of assistance provided to set-up of at least 4 SMEs with the participation of severely and significantly affected people if such initiatives are supported by the Ministry of Agriculture and UNDP | From December 2014 ongoing | Cooperation with the Ministry and UNDP influences scheduling, the program will be monitored and supervised until the end of 2016 |
| Employment with AGL | Employment of up to 10% of APs affected by land acquisition on the Project | From November 2014 ongoing until project ends | This refers to employment during the construction phase |

5.12 Database of activities

A database will be set up by AGL for each village, in order to record all CSR and LRP activities in the affected village. Recording details of activities will help AGL with monitoring and budget planning. Currently, individual activities are conducted on an ad-hoc basis, so neither the scheduling nor the budget is monitored centrally. For a large scale projects like this it is crucial to set up a clear list of activities recording to deadline or schedule and the amount required to complete such activities. It enables efficient resource allocation and better monitoring of activities.

The database will enhance transparency and will enable AGL to monitor their activities in the different villages. Information recorded in the database will make annual reporting easier as well. There are seasonal limitations to certain livelihood restoration activities. The database will help prioritise and manage risks and costs. Government projects will also be included in the database in order to facilitate

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collaboration where possible. A template for database to record CSR and LRP activities is included in Appendix B for consideration and guidance. The database will be updated once a month by the staff responsible for CSR and LRP activities from the LAR team.

Appendices

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Appendix A. List of meetings and participants

Table A.1: List of participants and meetings

| Company/village | Participants/meetings | Date of meeting |
|---|---|-------------------|
| AGL, Director for Land, Social and Environmental | Zviad Diasamidze | 6-10 October 2014 |
| AGL, Land Officers, Land and Community Officers | Inguli Davitadze, Otar Japaridze, Avtandil Ivanadze, Lili Tsulukidze, Jambuli Tsulukidze, Mtiuli Shainidze, Vazha Bolkvadze | 6-10 October 2014 |
| Social Policy Advisor, Clean Energy | Anne-Tone Steinvik | 8-10 October 2014 |
| Chanchkhalo | 4 FGD participants | 9 October 2014 |
| Skhefela | 4 FGD participants | 9 October 2014 |
| Akhaldaba | 7 FGD participants | 9 October 2014 |
| Kvatia | 5 FGD participants | 8 October 2014 |
| Diakonidzeebi | 13 FGD participants | 8 October 2014 |
| Didadzara | 13-20 FGD participants | 8 October 2014 |
| Tsablana | 10 FGD participants | 7 October 2014 |
| Pachkha | 5 FGD participants ¹² | 7 October 2014 |
| Head of Agricultural Development, Ministry of Agriculture | Levan Bolqvadze | 10 October 2014 |

¹² In order to ensure confidentiality the names of the FGD participants are not revealed.

Appendix B. Template for Database to record CSR and LRP activities

The Table below is an example only to show the kind of information and notes that will be included in the database. Please refer to the format only and disregard the content.

Table B.1: Example for database

| Name of project | Type of project | Village | Contact Person | Budget | Planned Schedule | Assigned person from AGL/AGE | Monitoring Due | Comments/Details |
|----------------------------|-----------------|----------------------|----------------|---------------|------------------|------------------------------|---------------------------|---|
| Water Rehabilitation | CSR | Tsablana | XX | X GEL | April 2015 | XX | 6 months after completion | Some of the work has already started, work had to stop because of adverse weather |
| School safety | CSR | Didachara | XXX | X GEL | November 2014 | XX | Every 2 months | During public meetings safer access was requested, fence to be installed to create pedestrian walkway |
| Health and Safety training | LRP | Shuakhevi, Akhaldaba | XX | X GEL | January 2015 | XX | No monitoring required | Training for Street Marshals on traffic safety |
| Scholarship for XXX | CSR | Skhalta | XXX | 2500 GEL/year | September 2015 | XX | End of academic year 2016 | Report on progress of student |
| | | | | | | | | |
| | | | | | | | | |

Appendix C. Stipend Reporting Form Template

Table C.1: Template for reporting on Stipend

| Stipend Reporting Form | |
|----------------------------------|---------------------------------|
| Name of Project | |
| Name of Recipient | |
| Contact person | |
| Amount requested | |
| Date of Approval or Not approved | |
| Amount received | |
| Summary of project | |
| | |
| Project end date | |
| Signature of contact person | Signature of AGL representative |

Appendix D. CSR Activities

D.1 Scholarships and stipend

AGL also suggested a stipend to be made available for books or extra-curricular activities at the public schools in the directly affected villages. Schools, teachers and classes will have the opportunity to submit application to receive the stipend, using the form attached in Appendix C. As part of the CSR initiative AGL will provide a scholarship of 2000-3000 GEL per annum to students applying for universities from the affected regions. Students will have to apply for the scholarship each year and will only be eligible for support for a maximum of four years. The scholarship programme will support up to 24 students, male and female equally from the poorest families in both municipalities over the next three years, until 2018. The terms and conditions of the scholarship program have been agreed with the Ministry of Education, Sport and Culture of Adjara. AGL has signed a memorandum of cooperation with the Ministry. The Major's offices in both municipalities as well as representatives of the local communities are actively involved in the Scholarship program. According to the memorandum of cooperation the scholarship program will start from January 2015.

AGL is planning to organise a meeting with school headmasters to provide them with detailed information on the terms and conditions, eligibility and budget for scholarships and stipends that are offered as part of the CSR initiative. During this meeting the proposed schedules will also be discussed and AGL will prepare to roll out the first scholarships during summer 2015, so the first batch of AGL supported students can start university in September 2015. The budget for the stipend and more details on terms and conditions will be established by AGL and publicised during the meeting with the headmasters. There will be a maximum budget defined as a stipend to support the purchase of books and organisation of small projects for schools.

AGL has set up a system with local governments to coordinate efforts. The local schools will work together with the Mayor's Office to prepare and submit proposals to AGL. This system allows the local government to be fully involved in the preparation, management and evaluation of stipend and scholarship activities, while maintaining a good working relationship with AGL.

Appendix E. Tentative Budget until 2017

Table E.1: Tentative Budget for DLRP

| Activity | Details | 2015 | 2016 | 2017 | Total | AGL Comments |
|-----------------------------------|--|-------|------|------|------------|--|
| Training activity | Training on agricultural production | 2000 | 2000 | TBC | 4000 GEL | AGL has approached UNDO and will remain in contact with them to support new initiatives when they arise. |
| | Training on livestock rearing | 2000 | 2000 | TBC | 4000 GEL | AGL has approached the Government of Georgia (GoG) and will remain in contact with them to support new initiatives when they arise. |
| | Training on beekeeping including health and safety | 2500 | 4000 | 2500 | 9000 GEL | AGL will remain in contact with community leaders to ensure that activities are implemented. |
| | Training on fish farming | 5000 | 5000 | 5000 | 15 000 GEL | AGL have approached the GoG and NGOs with a view to contributing to existing or new initiatives. A final contribution will be arrived at once the initiative has been confirmed. |
| | Training on traffic safety for street marshals | 10000 | 3000 | 0 | 13 000 GEL | This activity falls under the CSR budget. However, AGL is committed to employing AHS where achievable. |
| SME | Business management and financial training | 1000 | 1000 | TBC | 2000 GEL | AGL has undertaken financial awareness training in 2013. Additional activities will be organised if required by village leaders and communities. |
| Support to establish agribusiness | Bilberry | 5000 | 5000 | 5000 | 15 000 GEL | AGL has close links with local business and local authorities. If initiatives arise that AGL can participate in then AGL will consider it. The budget allocated is an estimate based on preliminary conversations with UNDP and the Ministry of Agriculture. |
| | Nut | 0 | 0 | 0 | 0 | As above |
| | Animal rearing | 0 | | | | As above |
| | Beekeeping | 0 | | | | As above |
| | Fish farming | 0 | | | | As above |
| SME | Micro finance/low rate credit | 0 | | | | This was suggested by local communities. AGL is very unlikely to be part of such activities or initiatives now or in the future. |
| | Trading fairs | 1000 | 1000 | 1000 | 3000 GEL | AGL will participate in GoG led initiatives or proposals if deemed suitable |

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| Activity | Details | 2015 | 2016 | 2017 | Total | AGL Comments |
|-----------------|---------------------------|--------|--------|--------|-------------|---|
| Employment | AGL employment activities | 36 000 | 36 000 | 36 000 | 108 000 GEL | AGL employs 12 local people in office based duties. Approximately 80 are employed as traffic marshals, the marshals will be included in the CSR budget. The cost mentioned is associated with basic salary for office employment and not part of the LRP. Some employment has been given to non-affected persons as well. |
| Bigger projects | Dairy production | 0 | | | | This was suggested by local communities. AGL will not be part of such activities or initiatives now or in the future |
| | Fruit juice factory | 0 | | | | As above |
| | Slaughter house | 0 | | | | As above |
| | Potato chips factory | 0 | | | | As above |
| | Tobacco factory | 0 | | | | As above |