

# Environmental Monitoring Report

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Semestral Report  
July 2015

## GEO: Urban Services Improvement Investment Program – Project 2

**Prepared by United Water Supply Company of Georgia, LLC, Government of Georgia for the Asian Development Bank.**

This environmental monitoring report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

# Bi-annual Environmental Monitoring Report

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*Project Number: 43405-023*

*January-June 2015*

*Loan Number 2807-GEO (SF)*

**Georgia: Urban Services Improvement Investment Program (Tranche 2)  
(Financed by the Asian Development Bank)**

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Asian Development Bank**

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Protection

July 2015

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## ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>DC</b>	Design Consultant
<b>DREP</b>	Division of Resettlement and Environmental Protection
<b>EA</b>	Executing Agency
<b>EARF</b>	Environmental Assessment and Review Framework
<b>EHS</b>	Environmental Health & Safety
<b>EIA</b>	Environmental Impact Assessment
<b>EIP</b>	Environmental Impact Permit
<b>EMP/ SSEMP</b>	Environmental Management Plan/ Site-Specific Environmental Management Plan
<b>ES/ SES</b>	Environmental Specialist/ Senior Environmental Specialist
<b>GoG</b>	Government of Georgia
<b>GRC</b>	Grievance Redress Committee
<b>GRM</b>	Grievance Redress Mechanism
<b>USIIP</b>	Urban Sector Improvement Investment Program
<b>IA</b>	Implementing Agency
<b>IEE</b>	Initial Environmental Examination
<b>MFF</b>	Multi-tranche Financing Facility
<b>MoENRP</b>	Ministry of Environment and Natural Resources Protection
<b>MoRDI</b>	Ministry of Regional Development & Infrastructure
<b>NEA</b>	National Environmental Agency
<b>SC</b>	Supervision Consultant
<b>UWSCG</b>	United Water Supply Company of Georgia
<b>WSS</b>	Water Supply & Sewerage

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## I. INTRODUCTION

1. The present Bi-annual Environmental Monitoring Report covers the time period from January till June 2015.
2. The Urban Services Improvement Investment Program was developed as the Government's response to the lack of adequate and/or safe water supply, sewerage and sanitation in urban areas of Georgia. This is intended to optimize social and economic development in selected urban areas through improved urban water and sanitation services, and is financed by the ADB through its Multi-tranche Financing Facility. The Ministry of Regional Development and Infrastructure is the Executing Agency and the United Water Supply Company of Georgia, LLC is the Implementing Agency of the Investment Program. UWSCG is a 100% state-owned company.
3. The Investment Program will improve infrastructure through the development, design and implementation of a series of subprojects, each providing improvements in a particular sector (water supply and/or sewerage) in one town. Subprojects will rehabilitate existing infrastructure and/or create new and expanded infrastructure to meet the present and future demand. Water supply improvements will include source augmentation and head works, pumping systems, treatment facilities, transmission and distribution network; and, sewerage improvement works will include sewer network, pumping stations, main collectors and waste water treatment plants.
4. The Investment Program will improve the health of residents in the urban centers of Mestia, Anaklia, Kutaisi, Poti, Ureki, Zugdidi and Marneuli. The outcome of the Investment Program is improved WSS services in these urban centers.
5. Tranche 2 of the Investment Program includes: Construction of Anaklia Water and Sewerage Network (ANA-01); Construction of Mestia Water and Sewerage Network (Mes-02), Construction of Anaklia Waste Water Treatment Plant (Reg-02), Construction of Water Supply and Wastewater Network in Ureki/Phase II (URE-01).

6. The following projects are financed under **Tranche 2**:

### **Anaklia Water and Sewerage Network (Contract ANA-01)**

7. The construction involved the supply and installation of approximately 69 kilometers of water supply and 70 kilometers of sewerage networks and service connections to all residents and hotels defined for the year 2040 for Anaklia and Ganmukhuri villages (total projected population of about 25,600 people). The construction works under Contract ANA-01 started on 16th of January 2012 and was completed in May 2014.

### **MESTIA Water and Sewerage Networks (Contract MES-02):**

8. The Construction rehabilitation of approximately 30 kilometers of water supply and 46 kilometers of sewerage network will cover the whole town of Mestia including the historic center and the future touristic zones covering all residents and hotels defined for the year 2040 thus benefiting total projected population of about 25,300 people. The construction works under MES-02 project started in October 2011 and are scheduled for completion by the mid of August, 2015.

### **ANAKLIA Wastewater Treatment Plant (Contract REG-02):**

9. The scope of works includes the construction of a Wastewater Treatment Plant (the treated wastewater to be discharged into Enguri River). The bidder was required to bid for the design and

construction of the first stage of a modular wastewater treatment plant (WWTP) in Anaklia. The design is to cater for the full flow and pollution loads for the 2040 population equivalent of 25,611PE but the first stage of construction is to provide all treatment processes for only half of the flow and loads calculated for 2040. In addition to the WWTP, the Contractor shall design and build the pressure lines leading from the collector network to the WWTP and from the WWTP to the outlet into the river. The contract for construction of Anaklia WWTP was signed on September 22, 2014. Completion data is scheduled on December 6, 2016.

### **Construction of Water Supply and Wastewater Network in Ureki**

- 10.** Construction of Water Supply and Wastewater Network in Ureki/Phase II (URE-02). The project is simultaneously financed from Tranches I, II and III. The main works under Tranche II will comprise laying transmission line with the total length of 29,4 km. (Contract was signed on 22 September 2014 and notice to proceed given on 8 December 2014. project will be completed in 2016).

#### **A. Construction activities and project progress during the previous 6 months**

##### **Construction Activities during previous 6 months under Ana-01, Mes-02, Reg-02 projects (January - June 2015).**

- 11.** Overall physical progress of the work under the ANA-01 project is 100%. No activities taken place during the reporting period of January-June 2015.
- 12.** Construction activities under Mes-02 is 100% Completed. The activities which were carried out by the contractor during the past 6 months (January-June 2015) are as follows:

**Table 1: Construction Activities carried out during the January-June 2015 under MES-02 project**

<b>MES-02 (Water)</b>	<b>Water Network</b>
Works undertaken during January-June 2015	Installation of the underground valves - 4
	Installation of water main - 0,67 km
	Installation of the underground valves - 4
	Installation of pressure reducing valves - 4
	House connection/meters - 85

<b>MES-02 (Wastewater)</b>	<b>Sewerage Network</b>
Works undertaken during January-June 2015	Installation of sewerage collectors - 0,40km
	Connection shafts to sewer network by users - 25

13. No construction activities have been stated under the Reg-02 and Ure-01 projects as yet. Status of the SSEMPs prepared is presented in the Chapter III - Environmental Management.

## **B. Changes in Project Organization and Environmental Management Team**

### **(i) Agencies Involved in Investment Program Implementation**

14. The following agencies are involved in implementing the Investment program: Ministry of Regional Development and Infrastructure (MoRDI) is the Executing Agency (EA) responsible for management, coordination and execution of all activities funded under the loan. MoRDI has overall responsibility for compliance with loan covenants.
15. United Water Supply Company of Georgia (UWSCG) is the implementing agency (IA), which is responsible for administration, implementation (design, construction and operation) and all day-to-day activities under the loan. An Investment Program Management Office (IPMO), which is under the Department for Investment Projects Management is established within the UWSCG for all Investment Program related functions. The IPMO coordinates construction of subprojects, and ensures consistency of approach and performance. In May 2015 a new director Mr. Nikoloz Kizikurashvili was appointed in UWSCG.
16. UWSCG as responsible IA for the project recruited a Supervision Consultant (SC). The national and international team of consultants assists UWSCG in the supervision of the construction of subprojects under the USIIP. The SC also provides capacity building training to contractor staff in the management and operation and maintenance of the subprojects. The SC assists UWSCG in ensuring that the subprojects are implemented according to the specified standards. SC assignment also includes the supervising of the implementation of the environmental management plans.
17. All mitigation measures during construction have to be implemented by the contractor and these are monitored by the supervision consultant (SC). To ensure the smooth implementation of EMPs and SEMP of subprojects, an Environmental Management Specialist (EMS) is employed by the SC. SC/EMS conducts routine observations and surveys, prepares quarterly environmental reports and submits these to UWSCG.
18. The Contractor has the following obligations:
- to prepare SSEMPs;
  - to employ Environmental Consultant responsible for developing and implementing the construction phase SSEMPs and for providing the corresponding information to UWSCG and SC;
  - to develop, if required, a Spoil Disposal Plan and Construction Waste;
  - disposal Plan agreed with the MoENRP and Local Government
19. DC is responsible for developing and incorporation of mitigation measures in design and construction.
20. The environmental specialist (ES) is hired by UWSCG under the USIIP to assist and advise the Division of Resettlement and Environmental Protection (DREP) of UWSCG in USIIP program implementation in compliance with the ADB Safeguard Policy Statement 2009 and National Legislation, and oversee the work of DCs and SCs in safeguards compliance. ES supports DREP in EARF implementation, in particular, reviewing IEE/EIA Reports and overseeing implementation

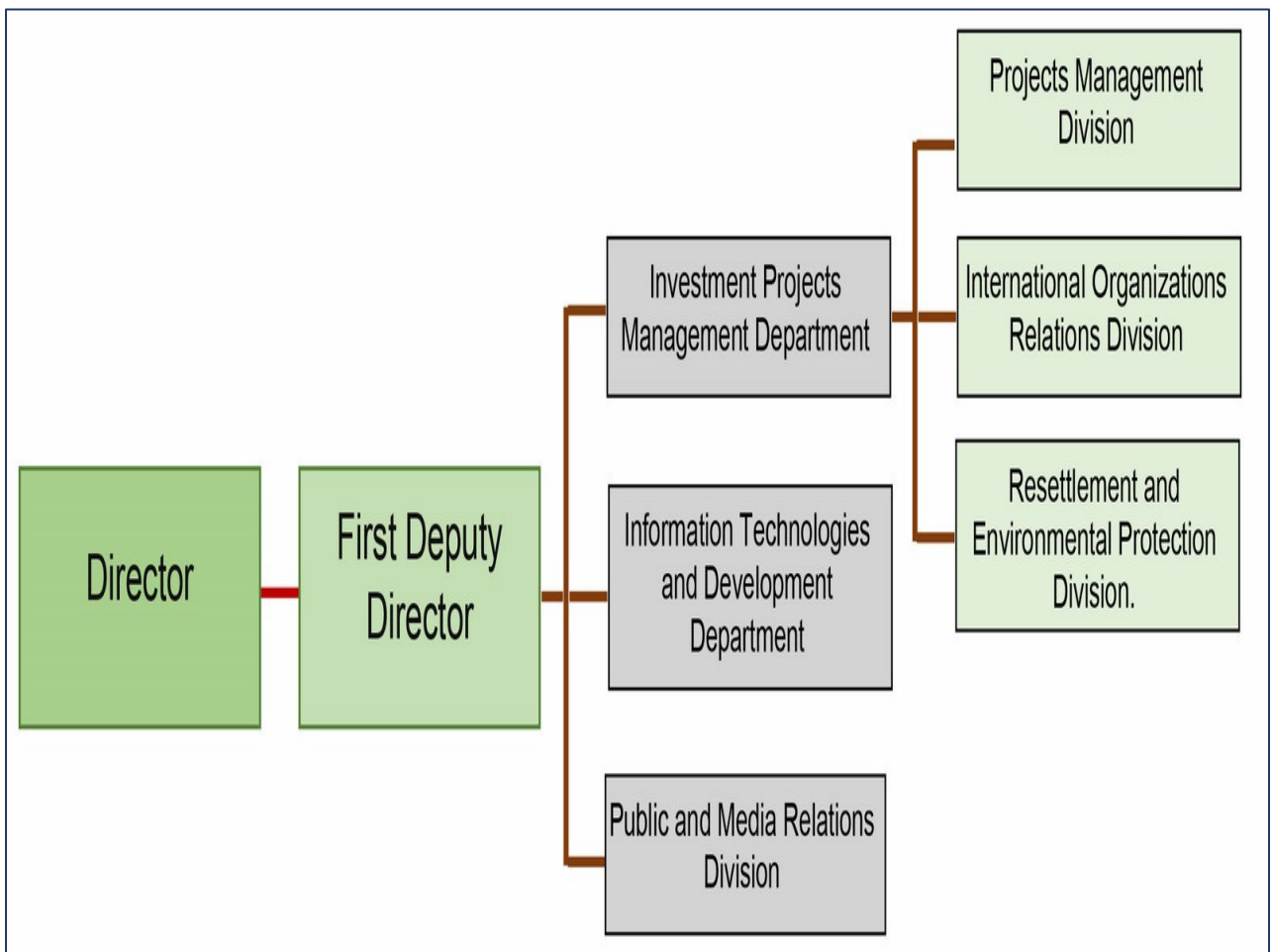


of EMP/SSEMPs and in training and capacity-building activities. The ES prepares bi-annual and annual environmental monitoring reports and submits to ADB.

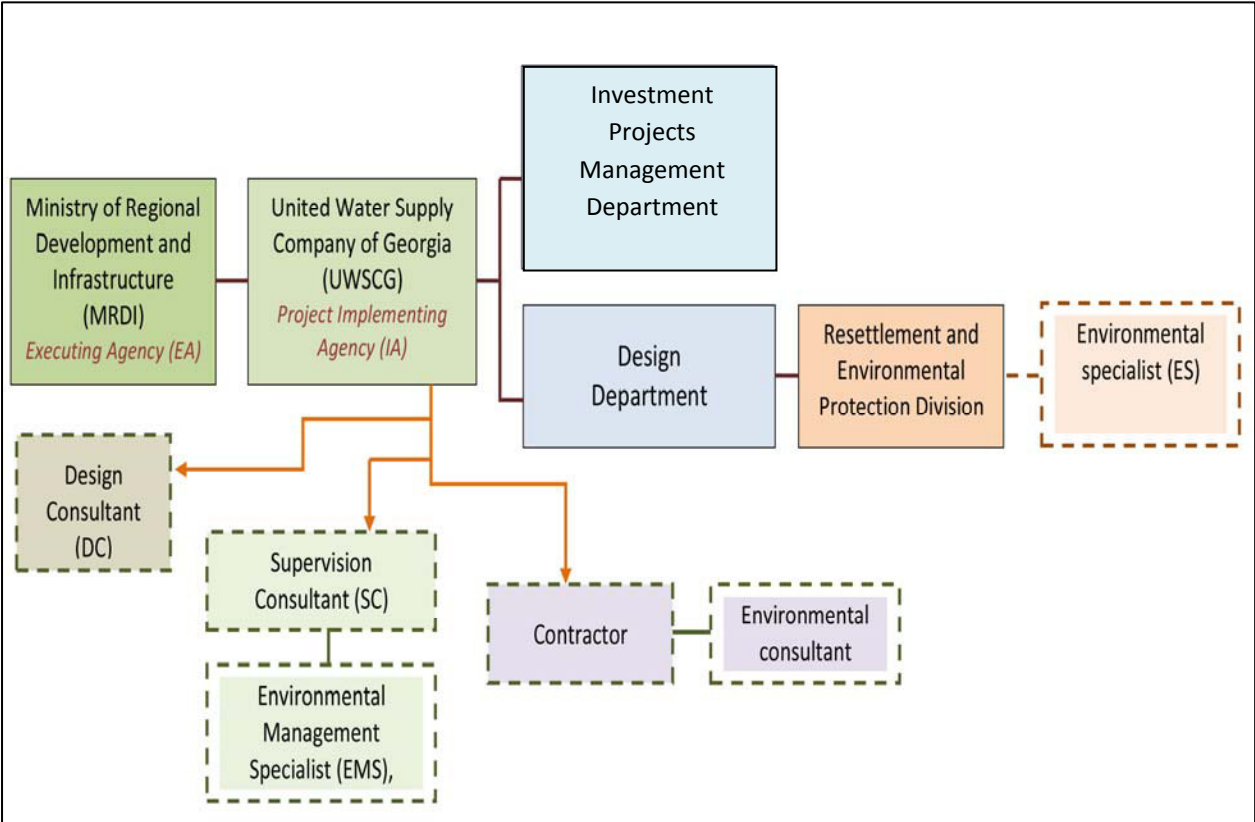
- 21. DREP is responsible for the implementation of mitigation and monitoring measures during construction and operation of subprojects under USIIP. Currently DREP is staffed with a Head of Division, who is responsible for both resettlement and environmental issues, and the Resettlement Specialist.
- 22. ADB is the donor financing the Investment Program.

**Environmental management organization is shown in Figure 1 and Figure 2.**

**Figure 1. Structure Diagram of the Environmental Management Unit of UWSCG**



**Figure 2. Structure Diagram of the Agencies Involved in Investment Program Implementation**



**B. Relationships with Contractors, Owner, Lender, etc**

23. Relationships with Contractors, Owner and Lender are considered as normal working relationships. At the working level, coordination of environmental issues has been satisfactory, the government agencies, UWSCG, consultants and contractors are in frequent communication and consultation.
24. Ministry of Regional Development and Infrastructure (MoRDI) is the Executing Agency (EA) responsible for oversee progress and provide guidance on the Investment Program implementation; convene regular meetings in consultation with the SC Chairperson and UWSCG; ensure compliance with Investment Program covenants.
25. Oversight of the USIIP with regards to environmental management is the responsibility of the environmental safeguards team, in particular UWSCG/DREP and the Environmental Specialist of USIIP.
26. The team has constant communication with the Supervision Consultant, Contractor, reviews/ comments all environmental reports submitted by DC, SC and contractors.
27. In fact the SSEMPs has been approved by UWSCG/DREP after the numerous discussions with the contractor until the specific situations of the site as well as mitigation measures under the site specific management plans are reflected.
28. SC is responsible for environmental capacity building, monitoring of implementation of SSEMPs and for developing quarterly reports. The Contractor has a full time Environmental Specialist who carries out day to day monitoring as submits a monthly progress reports.
29. ADB oversees project sites regularly and gives clear instructions for the project sites improvements with regard to environmental safeguards.
30. A Grievance Redress Committee has been established within and Mes-02 projects in Mestia. GRM in Anaklia is functional within Reg-01 project (Rehabilitation of the Anaklia Water Supply Sub-project.)
31. Project organization for the awarded contracts listed above is given in the table below.

**Table 2: List of contracts under T2**

Contract #	Employer	Contractor
Contract No: (UWSCG/ICB/CW/2012/ANA-01)	UWSCG	Joint Venture of Peri Ltd and Modern Business Group LLC
Contract No: (UWSCG/ICB/CW/2011/MES-02)	UWSCG	Joint Venture of New Energy LTD – Georgia and Enguri 2006 LTD (From 11 April 2013 the name of Enguri 2006 LTD has been changed into – New Construction LTD
Contract No: UWSCG/USSIP/ICB/CW/REG-02		JV of Ludwig Pfeiffer Hoch-und Tiefbau GmbH & Co.KG (Germany) and ProtechnoSrl (Italy)
Contract No:		JV Ludwig Pfeiffer Hock und Tiefbau GmbH

## II. ENVIRONMENTAL MONITORING

32. No environmental monitoring of Ana-01 project was carried out during the reporting period as all construction activities were finalized before the January 2015. Environmental Monitoring for Mes-02 project will be carried out in July 2015 before starting the post construction audit. Consequently no Monitoring sheets (Mitigation Compliance & Inspection Monitoring Forms submitted by ADB) were filled during the on-site monitoring as major construction activities were already done.

## III. ENVIRONMENTAL MANAGEMENT

### A. SSEMPs prepared under Reg-02 project.

33. SSEMP for Anaklia WWTP was prepared by contractor under the REG-02 project in early June, 2015. SC has reviewed SSEMP and provided comments to the Contractor. Contractor has addressed comments provided by SC. Finally SSEMP for Anaklia WWTP was approved by UWSCG in June 2015. No SSEMPs were prepared under the MES-02 and ANA-01 projects.

### B. Site Inspections and Audits

34. Ana-01 project Compliance Audit Report was carried out on 1-7 September of 2014. The Compliance Audit Report was prepared to comply with the 2009 ADB's SPS and Georgian legislation, including Safeguards Requirement and aims to identify past and present concerns from the production and business activities of Project Company that related to impacts on environment.
35. Despite the fact that no negative impact on environment was revealed by consultant, based on the project documents review and conducted site visits, a number of recommendations were developed, after the audit. These recommendations were fully corrected within the one month period given to the contractor before drafting the final audit report.
36. As it was mentioned above construction activities under the Mes-02 are completed. The post construction audit of Mes-02 project will be conducted and the Compliance Audit Report will be prepared immediately after the UWSCG will officially take over the Mes-02 project. Preliminary timing is designed as an early August 2015.

### C. Non-compliance Notices

#### REG-01

37. The Non-compliance notices were not issued during the reporting period.

## **Actions taken regarding the action plan of the EMR January-June 2015:**

- There were no public awareness campaign carried out in Mestia as yet as it was planned in April 2015. Public awareness campaign is envisaged to be conducted in late July 2015.
- Post-construction Environmental Audit of MES-02 project is planned in July 2015 as well.

## **D. Consultations and Complaints**

### **Public Awareness Activities:**

**38.** No Public Awareness activities have been carried out during the reporting period.

### **Grievance Redresses Mechanism (GRM)**

**39.** For the effective implementation of a GRM system under the USIIP, UWSCG issued special order (#122) on 30 April 2014. The “Establishment of GRM within the Framework of the Asian Development Bank Funded Projects” signed by the head of UWSCG gives clear instructions to every involved stakeholder how to act when affected people are impacted by the project.

**40.** Any affected person can apply at a UWSCG local service centre through different ways, either by going to the service centre, sending a letter to the service centre, or calling a hotline. The operators of the service centre can respond by going directly to the affected person if they are disabled to get the written grievance from them. In all, there are 56 local service centres of UWSCG in different cities throughout Georgia (Anaklia is an exception where the local service centre does not exist and APs can apply to Zugdidi service centre for grievances).

**41.** The GRM has been operational since April 2014, and the system operates in three stages: During the first stage, complaints are discussed within two weeks of being received by the local service centers of UWSCG, based on the verbal or written complaint. In the first stage of grievance review and resolution, an authorized representative of the local service centre is responsible for ensuring the registration of the claim and its further processing. He/she engages in the grievance review and resolution process representatives (managers and environmental specialists) of Construction and Supervision Companies, and the representatives of UWSCG central office as required. At the local service centre, the affected person is provided with a queue number and then registers the grievance at the service desk.

**42.** The service centre operators, register all relevant grievances with support of an online task management system, which tracks information on the grievance review process and the responsible person. Moreover, the operators fill the ADB complaints log with the registered grievance that coincides with local internal forms. This electronic intranet system<sup>1</sup> allows the UWSCG Tbilisi Office to immediately see claims. Therefore, claims submitted to any regional service centre can be monitored by the Head of the Investment Projects Management Office (IPMO), Mr. Ucha Dzimistarishvili, as well as the Head of the

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<sup>1</sup>The **eDocument - Task Management System** was developed by LEPL Financial-Analytical Service of the Ministry of Finance of Georgia. It is an innovative electronic document and task management mechanism for electronically processing of documents. Used by almost all the major budgetary organizations in Georgia, the eDocumentservice offers an opportunity to manage, find, and track documents for information-intensive organizations.

Environmental and Resettlement Division, Maka Goderdzishvili. When a grievance is solved positively in the first stage, the grievance is closed through an Agreement Protocol, which is reflected in the eDocument – Task Management System.

43. The grievance enters a second stage if it is not solved. In that case, the authorized representative of the local service centre will help the claimant prepare a package of grievance application documents for official submission to the Grievance Redress Committee (GRC). The package contains the following information:
- Name, ID, address and contact details of the claimant
  - Description of the essence of the complaint
  - Supporting documents and evidences (photos, maps, drawings/sketches, conclusion of experts or any other documents confirming the claim)
  - Brief description of the actions proposed for the grievance resolution at the first stage and the reasons why these actions were denied
  - Minutes of meetings conducted at the first stage
44. The GRC should make a decision within two weeks after the registration of the grievance. The GRC is staffed as follows: (i) Representative of self-government – the head of committee; (ii) Director/ Manager of UWSCG service centre; (iii) Investments Project Management Division representative of the company; (iv) Representative of local authoritative NGO (according to the claim reference); (v) Stakeholders' female representative;(vi) Stakeholders' informal representative; and (vii) Heads of local municipalities.
45. The GRC will review the package of grievance documents, set a date for a meeting with the claimant, discuss the claim at the meeting, and set up a plan for further actions (actions, responsible persons, schedule etc.). Upon the resolution of the case, the GRC will prepare a brief resume and protocol and the protocol signed by complainant and all parties will be registered in a grievance log.
46. There is a third stage in case there is a failure to resolve the grievance. In this case, GRC will help the claimant to prepare the documents for submission to the Rayon (municipal) court. They can also apply to ADB at the address below:

Complaints Receiving Officer, Accountability Mechanism  
Asian Development Bank Headquarters  
6 ADB Avenue, Mandaluyong City 1550, Philippines  
Email: amcro@adb.org, Fax +63-2-636-2086

#### **IV. CONCLUSIONS AND RECOMMENDATIONS**

47. As presented in this report, Tranche -2 of this Investment Program is being implemented in compliance with the ADB Safeguards Policy Statement, 2009, National Legislation and overall EARF.

#### **V. ACTION PLAN FOR THE NEXT PERIOD**

- Conduct public awareness campaign in July 2015 under the contract MES-02 by Eptisa and UWSCG.
- Carry out post-construction Environmental Audit of MES-02 project in August 2015.
- Establish GRM System in Ozurgeti local service center of UWSCG for Ure-01 project.